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USE OF F-16'S IN AIR FORCE DESCRIBED

Brussels LA CONQUETE DE L'AIR/AVIASTRO in French May, Jun 82

[Article by Patrick Anspach: "F-16: 1 Year of Operational Life in Belgium"]

[May 82 pp 37-38]

[Text] In our May 1981 edition, we analyzed the first results of operational use of the F-16, notably within the DACT (Dis-similar Air Combat Tactics) missions with the American F-15's and the low-altitude air-defense missions. Actually, we spoke only of the activities of the 1st All-Weather Fighter Wing, which, since last 31 December, has been the first operational European F-16 unit, assigned to NATO. What we thought it would be interesting to analyze a year later is the conversion of the 10th Fighter-Bomber Wing of Kleine Brogel. This is being articulated in two phases. One involves the training of the maintenance personnel, and the other, the training of the pilots.

The technician personnel responsible for readying the first airplanes for action in Campine (Kleine Brogel) were trained from the beginning of 1981 in the Maintenance Training Unit (MTU), based at the time at Beauvechain. The MTU was transferred to Kleine Brogel on precisely 3 August of last year: that is, all the special benches called SAMT (Simulated Aircraft Maintenance Trainer) were forwarded to that base. They will move once again to Saffraenberg a year from now, when all the technician personnel of Kleine Brogel will be transferred. This unit should be dissolved in 1983, after 6 years in existence and after more than 700 specialists have been trained at its benches. We mention by way of information that only the Dutch-speaking instructors have been transferred to KB [Kleine Brogel], because, since this base has the privilege of being unilingual, the courses for technicians (contrary to the courses for pilots) are given in the trainees' language. What has been the history of the MTU, and what does it consist of? This is the question that we wanted to answer.

The Maintenance Training Unit

It was in 1976 that the Training and Instruction sections of the General Staffs of the EPG [expansion unknown] and of the United States tackled the problem of

Maintenance apprenticeship. The first MTU team was designated in the middle of 1977, and on 27 March 1978 flew to Edwards Air Force Base to familiarize itself with the F-16. It was a real pioneering task, for a maximum of information had to be gathered on the basis of the five preseries airplanes. Starting in May, the working-out of the courses as such began in the 1st All-Weather Fighter Wing at Beauvechain. In January 1979, five courses were given to 10 students, but the real startup was in April. Finally, the MTU had to remain at Beauvechain, as we said, until July of last year.

The courses are divided into two sections: an avionics section for the electronic equipment, and an aeronautical-construction section for the mechanical part. The F-16 conversion was carried out in three phases:

--Introduction: security measures to be followed, description of the existing technical documentation, organization of the administration of airplane maintenance;

--Maintenance, 1st and 2nd echelons: this is the longest and most detailed part. First-echelon maintenance has to do with the operational readying of the airplane, carrying-out of minor inspections, troubleshooting and locating breakdowns and replacement of certain parts. Second-echelon maintenance involves the major inspections, troubleshooting and locating of breakdowns that necessitate partial disassembly of the machine, and repair of these breakdowns;

--Practical preparation: all the technicians receive practical training for 1st-echelon maintenance work, and only a small team acquires the practical knowledge for 2nd-echelon maintenance.

The total duration of the conversion depends on the technician's specialty, but also on availability of the airplanes necessary for the practical exercises. The shortest course lasts 5 days, and the longest (for the airframe), 54 days. The number of students per class varies between four and eight, for throughout the duration of the courses, the technicians have to continue with maintenance of the F-104G's still in service and the F-16's that are already operational. The MTU also provides the training of certain members of the general-staff and warehouse personnel (shorter courses) and the training of technicians from other NATO bases not equipped with F-16's, for between-flight maintenance in the event that planes have to land at those bases.

The MTU's teaching materiel is very modern. Along with more conventional tools such as blackboards, projectors and manuals, there is a videoscope that makes it possible to study very detailed maintenance procedures and to acquire basic general training on Doppler technology, the inertial-navigation system, etc. The images perceived by HUD [Head-Up Display] can also be shown. But the most sophisticated teaching equipment is the SAMT's (see above), which are veritable maintenance simulators. They comprise a control panel with minicomputer, screen and keyboard, line-printer and slide projector; a reading device for the magnetic disks on which the programs are recorded; a number of panels on which the airplane's equipment as well as the components and the test apparatuses that might be required are represented. These apparatuses can simulate the replacement of a part, the connection of a measuring instrument, and maintenance or adjustment actions. Finally, as in the flight simulators, breakdowns can be introduced; they are recorded by the printer, as are the student's reactions.

The MTU has seven of these simulators, for:

- the engine;
- the engine-starting system;
- the flight-control system;
- the hydraulic system;
- the ejection seat; and
- the cannon, with its firing and feed mechanism.

We mention that in addition, the instructors themselves have developed a teaching panel that explains the functioning of the integrated servohydraulic system and a 52-minute video recording that shows the tuning of the engine in detail.

The Pilot-Conversion Unit

The pilot-conversion unit, designated OCU (Operational Conversion Unit), was transferred to Kleine Brogel on 1 December 1981, and six two-seaters and three single-seaters thus went to the Campine base between 30 November and 5 December, a bit behind the schedule announced. Apart from the higher-than-expected attrition (see our April issue), three causes underlie this lag. It is of interest to review them.

[Jun 82 pp 12-13]

[Text] The first of these causes is the staggered recall of the first 35 planes, which came off the Sabca assembly line at Gosselies from January 1979 to May 1981. Thus there are six airplanes not available. This retrofit program makes it possible to incorporate modifications that are the fruit of the experience acquired not only by the international test program called MOT/E (Multinational Operation Test and Evaluation) but also by the accumulation of more than 100,000 hours of flying time in 6 different countries and on 10 bases, ranging from the Arctic Circle to the deserts of Nevada.

Secondly, there was the prolongation, well beyond the initial forecasts, of the flight tests of the electronic countermeasures system in Florida, which immobilized two airplanes and an overseas technical-support team. That team did not return until 18 March.

Thirdly, there was the grounding of the F-16 fleet for nearly 5 weeks in August 1981, following a fatal accident at Hill AFB and the difficulty of resuming flying activities after that prolonged immobilization.

The mission of the OCU remains the basic conversion of the pilots to the airplanes before the transition to operational conversion, which is done in a flight. Seventeen to 25 flights are necessary for this basic conversion, depending on the pilot's previous experience. Eleven pilots are already flying F-16's at Kleine Brogel, and 6 new pilots have already completed, in April, the 3 weeks of ground school. As at Beauvechain, the choice of the order of conversion was decided to be the reverse order of what was done on the occasion of the transfer to the F-104G's, and the Tiger Flight (the 31st) will therefore have the difficult task of remaining operational with the F-104G's 20 years after reception of the first airplane of this type in Belgium!

Physical Transformation of KB

The operational readying of the F-16 at Kleine Brogel is accompanied by a certain modification of the base's "landscape." Thus, the readying of the engine required, as at Beauvechain, construction of a test bench, two areas ("trim-pads") for testing the engine's adaptation to the airframe, and a large new engine hangar. Likewise, the laboratory where computer analysis of the airplane's black boxes is done, called the AIS (Avionics Intermediate Shop), will be installed in a new building sheltered from conventional air attack and nearing completion. Another building has also been built; it was designed especially for the filling of the hydrazine tanks.

Finally--and this is perhaps the most important point--KB is constructing the new building designed to receive the future F-16 simulator (it is already known that it will be a Link simulator equipped with a Vital IV night-visualization system from McDonnell Douglas). The Air Force General Staff stresses in this regard that the substantial delay in delivery of this simulator has not made it possible to modify the policy of transition of young pilots to the F-16. It will therefore be necessary to wait longer to authorize the transition to the F-16 of young pilots certified on the Alpha Jet and the rule of 650 hours of flying time as regards the readying of this simulator [as published].

Operational Conversion

The General Staff estimates that, as at Beauvechain, some 50 sorties per pilot will be necessary in order to reach the operational level required. Furthermore, the present conversion syllabus will be modified after the initial experience, which began during April; but it is obvious that the emphasis is going to be shifted from the air-to-air characteristics toward utilization of the airplane's air-to-ground possibilities. While the plane's acceleration power and its very tight-turn capacity have until now been the major advantages used, interdiction missions and close air support are going to require other qualities.

The characteristics sought by the Air Force for a high-performance fighter-bomber are the following:

--The airplane should have a long radius of action while at the same time carrying a heavy payload. Our diagram shows [as published] the F-16's carrying capacities, and it can be noted that they are considerable. The diversity of possible armaments is also significant.

--Flying qualities at very low altitude and high speed must be sufficient in order not to subject the structure to excessively high fatigue stresses: the level of vibration and shaking at the pilot station must be tolerable.

--The airplane has to be maneuverable with external loads. In order to improve this characteristic, the Belgian Air Force is going to receive, starting in December 1982, F-16's with horizontal empennage of larger dimension; these airplanes will be used directly for conversion of the 31st Wing. As for the pilots of the 23rd, they will have to receive retraining as from 1984.

--The navigation system has to be very precise and reliable, and in that regard, the Air Force is pleased with the qualities of the F-16. It is, indeed, common to have terminal errors of less than 1/4 nautical mile after a 1-hour mission without having readjusted the inertial platform, which constitutes a very distinct improvement over the previously existing systems.

--The radar must have resolving power for azimuth and distance that makes it possible to distinguish the objectives in the environment easily. Thanks to the Doppler system and the cathode-screen radar image-expansion system, the Air Force stresses that it is possible to see the pilings of a bridge distinctly, for example, and to know exactly the number of seconds separating the pilot from them.

--There must be numerous and precise capacities for releasing armament.

--The airplane has to be capable of surviving in a hostile environment. Because of its small size and its elaborate camouflage, personnel on the ground have difficulty seeing the F-16, and its radar and infrared signatures are reduced. The passive electronic countermeasures will warn the pilot if he is being tracked by an enemy radar, whether airborne or on the ground, and will determine what the most direct and most serious threat is. It will be possible to decoy the adversary by dropping either flares or small metal strips. The active electronic countermeasures will cloud the enemy radar emission either by noisemaking or by fictitiously shifting the position of the friendly fighter. In case of impact, fire being the principal danger, the tanks are subjected to a discharge of inert halon gas.

It goes without saying that all these characteristics will be assimilated by the pilots as their training proceeds. This second phase of the Kleine Brogel conversion is obviously the more delicate one, for the main difficulty lies in a gradual transfer of the technicians from one weapons system to the other, by way of the necessary changeover in the MTU; whence the temporary loss of maintenance capacity, and this without the benefit of any increase in personnel strength whatsoever.

The end of the 23rd Wing's conversion is planned for December 1982. After a necessary firing-practice program in Corsica, assignment to NATO is planned for the end of March 1982 (with prior tactical evaluation). At that time, it will be possible to put the 31st Wing into the conversion sequence, and the same scenario will be played out, 1 year behind the former one. It is therefore in March 1984 that the Air Force will be able to say whether it has totally succeeded in its transfer to a very advanced technology, in parallel with (and sometimes even ahead of) the U.S. Air Force.

A World First

Meanwhile, the 1st All-Weather Fighter Wing has continued with its firing tests at Solenzara and, on 9 February, achieved what can be called a world first. Until the present, for the firing exercises with the F-16's--the first of which took place in May 1980--the F-104G was used as the towship for the various types of targets in service in the Air Force. To put the F-16 into action in the towship role: that was the object of the tests carried out at the beginning of the year.

After using, for years, the system of nylon panels that were pierced by projectiles of different colors (one per pilot), the Air Force has adopted the SFENA [French Air-Navigation Equipment Co] acoustic-target system, which makes it possible to record the passage of the projectiles (even beyond the target) and to communicate the result directly to the pilot. This materiel had been certified as the target towed by the F-104C.

A program was therefore established for certifying this target for the F-16. The General Staff of the Air Force, the flight-testing service of Cosselies, and the 1st Wing collaborated on this program. After a number of positive theoretical studies and static tests, the dynamic tests began at Solenzara with the participation of Danish, Dutch and Canadian observers. These tests lasted more than a week. Target and cables were attached to different points, under the wing and on the fuselage. The container was placed in such a way that upon ejection, the target does not injure the empennage. In addition to this ejection profile, the target's attitude and behavior during towing were also subjected to numerous tests. In particular, the oscillations of the acoustic target at the end of the cable can cause disturbances of the recording of the impacts. Likewise, certain tests showed that the container could be ejected per an entirely true trajectory. Throughout this test program, an Alpha Jet was present to observe the towship constantly. The Alpha Jet camera and that of the F-16 produced a number of films that proved to be sources of very valuable information. By way of anecdote, it can also be noted that a tape recorder constantly recorded the pilot's sensations, which were commented on by him.

It is certain that use of the F-16 as towship will enhance the operational value of the exercises inasmuch as its great maneuverability will create more realistic training conditions for air-to-air firing, which is of prime importance for the fighter wings. The Air Force has also taken advantage of this test program to experiment with a new type of small target designated as Taxan. In this instance also, the Belgians were the first to do operational-use tests and to certify this system.

In conclusion, we mention that for more than 2 years, the builders have been an average of 1 month ahead of their contractual delivery schedules and that the number of sorties done is now over 11,000.

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STATE ADVISER URGES MORE INTEGRATED EUROPEAN DEFENSE POLICY

Paris DEFENSE NATIONALE in French Aug-Sep 82 pp 7-20

[Article by Alain Plantey, councilor of state: "For a New Approach to the Defense Concept"]

[Excerpts] The centers of gravity and decision-making in world affairs have shifted in the past half-century. The two nuclear superpowers now impose their strategies, their antagonism, their complicity, and their expansionism on other nations, and notably on the peoples of Europe. But the circumstantial fact that the superpowers claim to take all major responsibilities upon themselves alone cannot bar West European countries, and France in particular, from giving serious original thought to their defense system. These few pages are meant to contribute to that reflection. Such is the self-assigned objective of Alain Plantey, councilor of state [member of the Council of State] and honorary chairman of the ENA [National School of Administration] Alumni Association.

Why do statements and discussions about Western defense matters seem to be so unrealistic? Because they employ outdated ideas and methods in trying to respond to a new situation. Western societies have, in effect, become extremely vulnerable post-industrial societies. Without attempting to offer a complete picture of the characteristics of this civilization, we must, however, point out those characteristics which have some effect on defense matters.

Modern nations are being drawn into an immense and powerful movement of international aggregation ("globalisation"). Science, the foundation of their progress, has by definition no nationality, even when it is made to serve imperative requirements of the state. The technologies it spawns shrink time and space, accelerate the flow of goods, men, and ideas, and make long-standing legal and political delimitations obsolete. Space exploration is the most striking illustration of this phenomenon. In these post-industrial societies, all advanced technology sectors, notably military sectors, have to open themselves to international competition: production, markets, information, professions, and cultures. Advanced technologies tend to standardize all superior economic and cultural activities, chiefly through the flow and

capitalization of information at world level.

Atomic weapons are characteristic of the post-industrial era. Their air and space delivery systems have raised war to the level of a global phenomenon. Deterrence and possibly destruction ignore borders and neutralities. The strategic concept is progressively encompassing the entire diplomatic sphere of activity. It encompasses an increasingly greater area (sea, air, and space lines of communication).

The absence of open warfare does not mean tranquillity. The post-industrial civilization, based on a constant search for the greatest possible security and material advantages (including the refusal to procreate), paradoxically fosters insecurity. The more it enhances the value of consumption and questions the values on which it was founded, the more that civilization forgets the factors of cohesiveness, communion and sacrifice, factors represented by traditional military concepts (patriotism, discipline, and conscription) or other concepts (family and home). And at the same time, by not letting violence vent itself in open conflicts, it increases the internal pressure of that violence.

After World War II, the need for security was largely hidden by economic growth which spurred post-industrial nations forward, thus allowing natural aggressiveness to subliminate into the search for a better future. Today, however, all analyses, as well as the press, confirm that Western and democratic societies are and consider themselves increasingly threatened. For example, Western Europe would be choice booty for any domineering power. In fact, the countries which constitute Western Europe have amassed the wealth of this world, technological capabilities, industrial capacity, and human resources. They exert broad economic and cultural influence and control large interests outside the continent. Lastly, the geopolitical position of several of those countries gives them incomparable strategic importance.

This rich and prosperous Europe is extremely exposed to external hazards because of its geographical situation, its small size, its absence of defenses along its land and sea frontiers, and its political and cultural division. There are countless matters for which Europe is dependent on others: raw materials, sources of energy, communications, and numerous technologies. Its low population growth rate, its urbanization, and its process of internal dissension, weaken its resistance to shocks. Lastly, its military systems are extremely heterogeneous.

The main points of the debate on the defense of Europe are well-known. There is no need to describe the evolving ratio of forces on the continent and the effects of its increasing imbalance so disadvantageous to the West. In fact, any conventional defense of the European system would be most difficult. Its nuclear defense is possible only with the approval of the supreme national authority having nuclear weapons. Apart from this case, Europe, with the possible exception of Great Britain and France, becomes a "theater of operations" for the two superpowers. This hazard is exacerbated by two possibilities: the "decoupling" of the United States from Europe and denuclearization of the continent.

But Europe can also become a theater of operations for France as an atomic power, thus posing the problem of the use of tactical nuclear weapons, in other words the "forward battle."

As a matter of fact, nuclear deterrence, as it is viewed in the West, must enable the country with a nuclear deterrent, and that country by itself, to secure itself against the forward battle, the object of conventional military activity. But deterrence is dependent upon the credibility of its possessor and also upon the nature of the opposing threat: the country intending to deter must have and inspire in others the certainty that it will use its retaliatory capability.

Advanced techniques, no matter what they may be, are dangerous to all protagonists when employed without restraint. This is particularly the case with certain weapons of mass destruction. Consequently the post-industrial society seeks to retain control of such techniques and weapons and avert their use. Yet the spread, proliferation, improvement, and diversification of atomic weapons foreshadow the time when nuclear radicalism will cease to be true. At the same time, sanctuarization will lose its absolute character. Western Europe will then realize, too late, the fundamental conceptual mistakes it has made.

The world is now already moving away from the dialectic of total destruction and general suicide. More to be feared are localized paralysis (cultural, technological, economic, and financial), disruption of the flow of supplies or data, and all forms of economic or cultural destabilization. Defense of the modern state as a post-industrial entity will be radically different from its defense during the industrial era.

The offensive takes precedence. But while the defensive concept is a consequent concept, it is, however, not purely circumstantial. A defense system cannot be a mere response or counteraction. It must be based on wide-ranging and systematic contingency planning which takes all risks into consideration, including terrorism and all possibilities of dislocation of national and international systems. It must include its share of initiative not only in the search for information but also in the choice of strategies and their diplomatic implications.

Analysis of the many varied and changing vulnerabilities is especially necessary in that too frequently there is belated recognition of already existing or clearly emerging threats. These considerations are particularly true in the post-industrial society where information, by its broad dissemination, can generate panic or aggressiveness. Conversely, within a well-conceived defense system, initiative is encouraged by the virtues of highly-developed societies: information, forward-looking perception, innovation, emulation, and creativity.

Guiding the post-industrial society therefore, requires serious and constantly updated awareness of its vulnerabilities and those of its competitors or adversaries as well. It requires that European countries, or at least the principal ones, develop a real capacity for original thinking, forward-looking perception, and response based on accurate knowledge of the facts, plus a

firm political will. Consequently, for governments, defense and protection considerations must be both tactical and strategic. The difference is not simply one of the immediate versus long-range effect of a course of action, but an actual difference in nature. Strategy implies political vision, a clear perception of the ultimate objectives and the maneuver's underlying concept. It can only be the product of coherent reflection and a resolute attitude.

The danger is that the contradictory nature and indecision of such reflection may doom the strategy to failure. Consequently, the reaction in all European countries against the degrading of defense concepts can only come from a strong political authority relying upon instinctive national reactions and not upon bureaucratic, diplomatic, international, or other hierarchies.

In the present-day world, the attributes of internal and external security are of one substance with the state: any weakness in society is a threat to the state. The state's external vulnerabilities may hinge on the behavior and actions of others. Some of this behavior is involuntary and results from, for example, unequal distribution of resources, location of trade routes and military lines of communication, possession of a strategic position, financial or cultural preponderance, epidemics, or disasters. Other actions are voluntary, indeed even aggressive such as the cutting off of supplies, support of terrorism, subversion, and military or ideological aggressiveness. At times these two categories of vulnerability are combined.

In a society compelled to be on the defensive, analysis of these vulnerabilities must, therefore, precede and guide all political and technical decisions, whether these decisions involve the choice of weapons and immediate responses, long-range defense planning, or the very organization of the social and economic system. It so happens that new methods of exploiting information enable the contemporary state to develop systems analysis and construction techniques, particularly from the angle of vulnerabilities, and likewise to increase its knowledge of crises, their forecasting, management, and solution. Thus these new methods make it possible to organize the prevention of risks thanks to better surveillance of the international arena.

The capacity to fight, take the initiative, and negotiate greatly depends on the composition of the international environment. Organizing the modern state's defense does not consist solely in forming armies and equipping them with weapons. Ways must be found of limiting the hazards and vulnerabilities to which the state is exposed and to providing in-depth protection of a permeable and unsettled society.

The post-industrial society is not only unable to indulge in aggression, but it also is developing the art of not waging direct war and employing all other means of the strategy of domination. Democratic governments must, therefore, provide against numerous modern substitutes for traditional warfare, such as, for example, economic or ideological conflicts, psychological aggression, electronic warfare, and subversion. They must prepare themselves for such new defense obligations, as the establishment of surveillance and warning systems, continuous exchange of information and forecasts, coordination and

cooperation on initial responses, improved civil defense, all of which are sectors marked in Europe more by deficiencies than by positive initiatives.

If government leaders wish to organize a defense of democracies, they first have to understand that their duty is to establish authoritative cooperation agencies that alone will be able to define, on behalf of all countries concerned, the problem of France's and Europe's place in the world, the risks and maneuvers to which they are exposed so as to counter or foil them in all matters relating to defense, diplomacy, energy, trade, organization of large public or private enterprises, public opinion, data transfers, countersubversion, and civil defense, the latter especially in large urban centers. These government leaders are particularly responsible for advance study and analysis of the multiple stresses, difficult to identify, which modern society must cope with in case of an overt crisis.

Western Europe must be able to assess and make use of its opportunities. The United States will help it in this task, because the enhanced value of Western Europe as a cohesive unit makes its withdrawal from the Alliance more dangerous for the United States. The first countermeasure lies in technological innovation which also creates hazards. Hence it is in France's vital interest to preserve and protect its conventional and nuclear weapons potential, and notably its research and development capacity. In this field, as in others, diversification, nonstandardization, and innovation are factors of effectiveness because of the element of surprise they create.

Armament matters are no longer strictly national. For financial and technical reasons, and because of the comparability and similarity of military requirements, major weapon systems research, development, and production are becoming internationalized. Western Europe as a whole has a technological and production capacity enabling it to meet its own armament needs, export throughout the world, and appreciably increase the price a possible enemy offensive would have to pay. Europe's capacity is threatened, however, by American supremacy in research, markets, and licenses. If it does not unify or standardize its replacement timetables, research programs, production systems, and financial systems, Europe will become a dependency. Coordination of Western Europe's defense will, therefore, begin by coordinating technologies, research, and arms production.

The integration of European national economic systems is in an advanced stage. But the concepts on which this integration is based must be reexamined in the light of Europe's security problems, in other words, open itself to consideration of the risks in the international environment. We cannot always demand more and more of Western democracy. Europe would like to continue pursuing a free-trade policy in the midst of a world-wide recession, whereas it should give priority to safeguarding its own economic activity, advanced technologies, industrial base, and social stability, all of which are necessary to its defense in all its aspects but threatened by monetary turbulence, unfair competition, unemployment, and a sagging securities market.

The complementarity of economies achieved within the Common Market makes the latter an already highly integrated system, even though arms industries are not included in its common policies. Yet while constitution of the community

system may possibly be viewed as a sound and responsible economic achievement, one that heralds the end of national policies, nevertheless in the current diplomatic environment that system is fit only to serve as support for the building of a defense system. This community system is what has to be protected, in full. Yet it happens to be fragile and dependent, exposed on all fronts and in all fields.

A system that is not closed must at least control its entrances if it wants to retain its independence, in other words, remain an actor and not become a pawn. Within a context of economic complementarity and cultural permeability, European nations must seek to reduce their inferiorities or counterbalance them with preponderances. They must select and diversify their dependences (supply sources), build up their reserves (stockpiles, foreign currency), maintain those technologies necessary to their defense (optical, electronics), and acquire monopolies or strategic positions (territorial or technological). This effort presupposes strategic negotiation. Indeed the post-industrial state can succeed in exploiting the wealth and variety of its resources, systems, decision-making centers, and elite for the purpose of limiting its localized vulnerabilities, organizing its preventive defense, and increasing the opposing side's uncertainties.

Democratic Europe must also establish a dense communications and information network, plus a network of technical and cultural solidarities bolstering its resolve to be original. Europe's "globalization" helps protect it while strengthening it. Its contribution to balances in the world are not negligible. But these contributions do require constant enhancement of the European Community's economic and cultural potential.

European states must, therefore, expand their diplomatic sphere of activity so as to forestall threats, strengthen their negotiating positions, and offset their inadequacies by predominances. The whole world must have an interest in Europe's independence from the two great powers. To this end, its governments must exert a most extensive diplomatic effort capitalizing on the opposition's vulnerabilities before the actual start of a crisis, but while avoiding any increase in their own risks.

The United States and the USSR consider themselves to be the only nations having global responsibilities because they alone are capable of taking charge of our planet's destiny. Admittedly Europeans, on their own soil, do furnish three-fourths of the Alliance's air and ground forces, plus a substantial part of Warsaw Pact static forces. But this does not mean Europeans have but "regional interests," nor that they are prohibited from taking a strategic view of world geopolitics and adapting their diplomacy thereto.

Threats facing France and Western Europe are not all located along the Iron Curtain. Hence their defense must be so designed as to operate wherever a major European interest is involved. European nations must be able to have a role in the strategic debate, without provocation but as active participants, creators of uncertainties. It is unwise to have everything depend on the good will of a competitor or adversary.

It has been said that the world is evolving into a multipolar system. Yet a decision-making pole exists only if it is independent.

As an aggregation ("globalite"), Europe does not fit into the multipolar system as an active participant, unlike China which manifests an independent strategic will. In certain respects, its security depends on the Chinese hazard ("alea"). But the Chinese hazard may compel one of the two major antagonists to wipe out the European hazard.

The independence of European countries will reappear only if they are the source of hazards, and want to be such. The best way to avoid being the battlefield is unquestionably to push that battlefield elsewhere. The advantage of increasing the number of independent decision-making centers is that it increases the risks of unilateral use of force, relaxes antagonisms, and opens the way to evolutionary changes. It is from this standpoint that uncertainty about the real intentions of some actors, such as France, may prompt others to be prudent. Multipolarity, however, demands focusing one's attention on the entire diplomatic scene, whereas many European countries have lost the will to do this.

Although Europe can be a source of hazards for its adversaries or competitors, it must limit the risks which threaten it. The USSR needs peace so that it can develop, feed its people, enhance its technologies, and arm itself against China and Japan. The United States cannot wage war because of its moral and urban vulnerabilities. It has no grand designs. Yet the very logic of predominance compels the two superpowers to maintain the pressure each exerts upon the other.

Fluctuating between antagonism and coresponsibility, Russian-American relations are conducive to general stabilization of the international system. France and Europe must exert influence in this latter direction, out of fear of some tragic development, and so as to permit the world to cope with the problems of underdevelopment. In fact, East-West bipolarity is being gradually replaced by a more explosive bipolarity, namely North-South bipolarity.

The democratic state is a fragile society, particularly in periods of prosperity and peace. National sentiment expresses itself badly under such circumstances. To strengthen the state, it is necessary to have it concentrate upon its essential missions. Defense and security are among those missions. Failing to have faced up to the perils it faces, it is in danger of having its institutions, consensus, and spirit disintegrate. Its cultural fertility implies some anarchy. It ought to constitute not only a hazard for totalitarian systems but also sufficient motivation for its defense. We bravely protect only those values we hold dear. A society does not defend itself if it is founded on material prosperity and commercial values; its leaders must furnish it the sentimental legitimacy creative of collective emotion and will.

For centuries, patriotism justified the greatest of sacrifices. Today, the contempt for hard work, the fondness for standardized consumption, and the reduction of originality and specificity, all contribute to the decline of such

patriotic sentiment. The individualism of Western and urban culture are contributing factors. Liberal democracy recoils from imposing an ideology or a scale of values, even in such a fundamental sphere as security. It invokes human rights as a frame of reference, in other words, freedom of the individual to choose his own values within lawful limits. It becomes weaker in the face of coherent, powerful, totalitarian political regimes, when it stands helplessly by and watches the insidious and profound deterioration of its collective standards, social fabric, and political institutions.

The permeability of its system exposes the post-industrial state to interference from large external forces that tend to question its political choices, and frequently by aggressive methods. Under such circumstances, the state must not lose its own power to resist and respond by resigning itself to having the international system sap its will to be original through doubt, humiliation, and the slow erosion of irresponsible institutions. These vulnerabilities are so grave that they threaten the very survivability of Western democracies.

Defense of the post-industrial society demands reexamination and reaffirmation of its values. Otherwise this civilization will be dangerously weakened when facing coherent and mobilized systems that are sources of conflicts. The use of modern information and communications techniques will be essential, and likewise the enhancement of the importance of creativity. In this way, devotion to the nation can be rejuvenated.

A society does not hold its own merely because it is just and legitimate. There is an indissoluble link between the group's vitality and the defense spirit. Reference to defense conjures up, first and foremost, simple and coherent concepts, those of life and peace which all people can grasp. Nevertheless, the elite still must have the courage to assume their true responsibility to the group, namely the formulation of a living and fortifying ideology.

8041

CSO: 3100/899

BRIEFS

CONVENTIONAL MISSILES REPLACE 'NIKES'--The Hague, August 18--The Dutch air force squadron equipped with nuclear Nike anti-aircraft missiles, which is stationed at Borgholzhausen in West Germany, will be disbanded in the middle of 1983, Defence Minister Hans van Mierlo announced here last Tuesday. The decision was in line with the plan to replace one German-based squadron of the Royal Dutch Air Force's guided missiles group by a unit equipped with the conventional Patriot missiles at the earliest possible moment, the minister said. In a letter to the second chamber's standing defence committee he explained that the Patriots must have replaced the Nikes in 1986 at the latest. Advancing this date fitted into Holland's policy aimed at less dependency on nuclear weapons, he added. Mr van Mierlo said that the 300-strong squadron comprised 140 conscripts, 160 professional soldiers and 16 civilians. He said that although preparations for disbanding the squadron were being made, its final dissolution would not be effected until after consultations with the allies and the trade unions and after parliament had dealt with the 1983 defence budget. [Text] [The Hague ANP NEWS BULLETIN in English 19 Aug 82 p 1]

CSO: 3120/92

CONSTRUCTION OF SMALL HYDROELECTRIC PLANTS HALTED

Paris LE NOUVEL ECONOMISTE in French 19 Jul 82 p 23

[Article by Philippe Le Corroller: "Michel Crepeau Against Small Power Plants"]

[Text] Many investors and industry heads are angry. The government is blocking the future construction of small hydroelectric power plants in the name of site protection. More than a hundred files are waiting. A letter from Michel Crepeau, minister of environment, urges the prefects, DDA and DDE (Departmental Directors of Agriculture and Equipment) to give the environmental impact study careful attention. "I have several clients ready to invest and I cannot work," complains Vincent Jouet, owner of Groupe Sud Engineering, an engineering firm that employs 50 people at l'Isle-sur-Sorgue.

Contrary to what is often believed, while EDF [French Electric Company] has the monopoly for electrical distribution, it does not have it for production. A thousand small falls are operated in France by independent producers. Some of them, like Michel Lozachmeur, president of Etablissements Leborgne (general mechanics) at La Rochette in Savoie, are industries that produce primarily for their firms. Others, like Louis-Albert Convert at Vonas in the Ain, have simply tried to build in order to sell the energy produced. EDF is, in fact, obligated to buy from them whatever quantities of electricity they can offer.

Since the skyrocketing of oil prices, and therefore at energy prices, a business that until then had been marginal has become particularly juicy. For an investment on the order of Fr5 to 10 million, the profitability can be considerable. "It is not unusual to see a payback period of 5 to 6 years based on sales or of 6 to 7 years based on gross margin (before depreciation and financing costs)," says Jouet. "That provides a gross profit before taxes of 14 to 17 percent." "Along with several friends and with the help of a bank, I am ready to invest 8 million in Lozere. But my file is buried," says Julien Giral, a former miller from Orange.

For the minister of environment, the small power plants basically present two problems. First, that of decreasing the flow of rivers over several hundred meters when it has been decided to capture the river at a point and, by a forced conduit, to create a "high falls" further along. The

reaction of fishermen, whose lobby is particularly powerful, can be imagined. The second problem is of a visual nature. The piping and the plant are hard to integrate into the landscape.

"That is a false problem," affirms Jacques Fonkenell, president of Etablissements Ferrand (general mechanics) at Rodez, who would like to add the construction of power plants to his traditional activity. "The administration can make us bury the conduits and regulate the flow taken from the river." In fact, since 10 May, the administration has refused to hear about small power plants designed by private "capitalists." It would like to reserve them for local municipalities.

That is probably the crux of the argument. Moreover, it had started prior to 10 May. On 15 July 1980, a law broadened the possibilities offered to local municipalities by previous texts. Until then, the latter could produce hydroelectric energy only for their own consumption. Now they can produce it to sell. "Will they be able to put up projects as competitive as those proposed by already experienced private industrialists?" asks Lozachmeur, not without some bitterness. He has called off extending the facility built at the doors of his plant 20 years ago, which would have allowed him to triple his production. "That way I could have partially recouped the losses that I am going to have at the plant now that I am caught between my prices being blocked and the salary increase that I gave in May."

9969

CSO: 3100/862

BRIEFS

LESS COAL IN NORD-PAS-DE-CALAIS--Lille--The Balance sheet of Houilleres [Coalmines] of Nord-Pas-de-Calais for 1981 confirms the tendencies that have been observed for several years--3,952,000 tons of coal, or approximately 500,000 fewer tons than in 1980, were mined. The average underground production per man and per job has remained practically the same: 1,968 kilograms, 97 kilograms less than the forecasts. As for the number of employees, despite a slight recovery in hiring, it has also decreased: There are 9,750 miners underground (3,384 of them Moroccans) compared with 11,257 in 1980. The number of day workers has fallen from 9,879 to 9,308. Sales for the Houilleres in the coal field in the Nord and the Pas-de-Calais for the year 1981 totaled Fr4,172,000,000, of which 233 million was from exports. In the framework of a business contract involving the government and French Coal Company, the Houilleres in the Nord were the beneficiaries of a one-time contribution of Fr744 million in 1981 and aid in the amount of Fr1,120,000,000 to cover past charges "unrelated" to exports. Because of that, the general operating statement shows a profit of Fr177 million. [Text] [Paris LE MONDE 22 Jul 82 p 26] 9969

CSO: 2100/862

PROBLEMS OF NUCLEAR POWER PLANTS SUMMARIZED

Madrid EL PAIS in Spanish 21 Aug 82 p 26

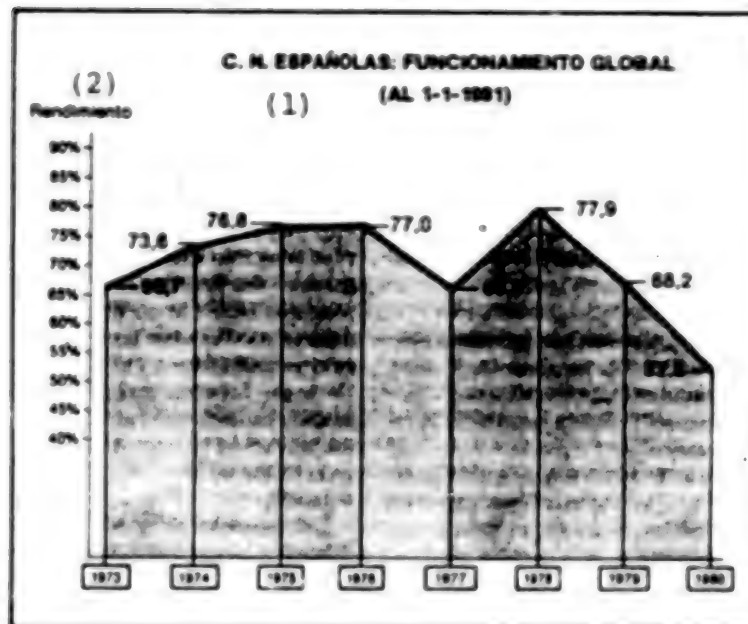
[Article by Pedro Costa Morata*]

[Text] Summary: the author analyzes the ongoing debate after the controversial statements made by the director of energy on the Almaraz and Asco nuclear power plants, and suggests a course of action for the independent government entities affected by Almaraz.

The Almaraz nuclear power plant, with two high-power reactors, is the first of Spain's second generation of nuclear power plants. Considering the poor operating record of the three plants of the first generation (Zorita, Garona, and Vardellos) since 1978, as shown by chart no 1, anything affecting the first of the seven future reactors is of great significance. And we already know: Almaraz I is operating so poorly that by itself it has dashed the hopes of an overall satisfactory performance by Spain's power plants. In addition to the information contained in the first chart, we should point out that the operating performance in 1981 was 62.6 percent, which slightly improved the declining curve, and its operation during the first 7 months of 1982 was 38.1 percent, with no possibility of any substantial improvement.

Any technical problems affecting Almaraz I are automatically applicable to its five twin reactors: Almaraz II, Lemoniz I and II, and Asco I and II. If these reactors were to begin service consecutively, as scheduled in Spain's energy planning, the total efficiency of Spain's nuclear power plants would not exceed 30-40 percent during the next 5 years. And approximately 50 percent of the investments made would be wasted.

* Mr Costa Morata is an engineer and journalist. He is now serving as director of the environment (PSOE [Spanish Socialist Workers Party]) in the Community Council of Castilla-La Mancha.



Key:

1. Spain's nuclear power plants: overall operation as of 1 January 1981
2. Operating efficiency

The endless problems of nuclear reactors, especially in the United States, have been known for years. As early as 1974, the poor performance of the nuclear reactors in the United States was a matter of public knowledge. But that very same year, the basic decisions which laid the foundation for Spain's ambitious nuclear program were made, at the very time when significant decreases in electricity consumption were being observed in the developed world.

On 1 May 1981, President Calvo Sotelo solemnly officiated at the opening of Almaraz I. He used that occasion to confirm that "the nuclearization of the country is a decided fact." More than a year later, the power plant has still not begun commercial service. It has serious technical and safety problems which have caused technological embarrassment and have raised doubts about public health and safety. The Harrisburg accident--which led to widespread scepticism about nuclear power--has shown that an unprecedented tragedy is still possible. The Three Mile Island plant would cost over \$1 billion and take over 8 years to repair. But in reality, no one seriously thinks it will ever operate again, even though only 3 months had elapsed since it was opened.

Industry as Always

The flat denial of the minister of energy to the brief and modest statements made by his subordinate, the energy director, expressing a lack of confidence, would be of some interest if it were possible to find the slightest difference of opinion between Mr Magana and the electric power sector (which rose up in fury against Mr Del Pozo) during his productive 6 years as the head of Spain's energy program.

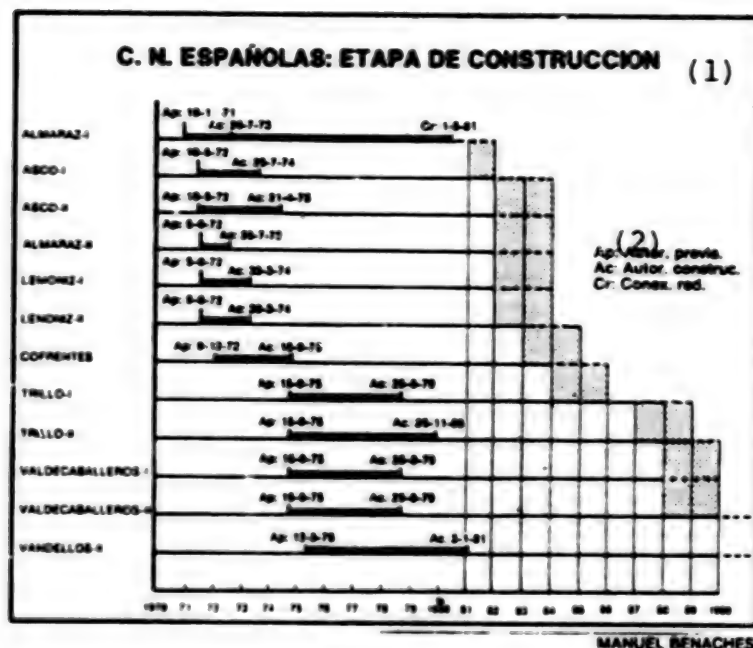
The ministry of industry and energy has never used its powers to suspend authorization or punish noncompliance; in any dispute, it has always backed industry against public opinion.

It has made use of the valuable support of the Nuclear Energy Board, whose record I think should be left to history to judge. Its successor as an "investigating organ for nuclear safety," the Nuclear Safety Council, began its operation as a body with restricted powers; as provided by the law creating it, its fundamental purpose is to neutralize local opposition. In fact, it operates as a somewhat inconsequential byproduct of the Board. This same Council, which is now speaking out in defense of the absolute safety of Almaraz I, just a few weeks ago was complaining about its lack of resources to carry out its mission.

For the Next Phase in the Antinuclear Movement

The second chart shows convincing data on the continued extension of the construction schedules of Spain's nuclear power plants. This is an exact reflection of what is happening in other countries as well. Between Almaraz I, which took 10 years (though we still don't know when it will operate well) and Trillo II or Valdecaballeros II, there will be a clear increase in the time scheduled for construction. What is the justification for the fact that some plants which take 12 to 15 years for construction will still not operate acceptably for more than 10 to 15 years and will still be subject to negative technological surprises and increased risks? Let us not forget: their total cost will not be less than 250-300 billion pesetas (1982 values).

Indications suggest that the next phase of the antinuclear movement may be destructive for regional and autonomous institutions. The role of the Extremadura Council in the Valdecaballeros crisis of 1979 was a dismal one; we can see that now. Nor can we absolve from responsibility the Community Council of Castilla-La Mancha, concerning Almaraz, for a large area of Toledo is affected. For the autonomous institutions, based on the problems with Almaraz, I believe that:



Key:

1. Spain's nuclear power plants: construction phase
 2. Ap: preliminary authorization;
Ac: construction authorization;
Cr. connection to power network.
- a. There should be an indepth study of nuclear issues related to Almaraz and Valdecaballeros (by the Extremadura Council) and to Zorita, Trillo, Almaraz, and Cofrentes (Castilla-La Mancha Council).
 - b. There should be an analysis at the site, comparing compliance with the requirements--safety and other requirements--specified by both Spain and foreign legislation, with the reality at each plant (it is devastating to find how the construction authorization for the Almaraz plant, dated 26 July 1973, takes up only one page of the BOE [expansion unknown], and is full of ambiguities.
 - c. Systematic measurements should be made in the air and in river water to determine pollution levels. This should be done absolutely indepedently of the Nuclear Safety Council, which claims to be an exclusive and excluding body for nuclear safety, in order to provide a sufficient basis for the adoption of political remedies.

- d. Any conflicts that might arise concerning jurisdiction and lack of confidence between the central administrative organizations and the autonomous organizations could be resolved by means of the unconstitutionality remedy, if article 149.22 of the constitution is applied in a restrictive sense for autonomous powers (authorizations for electric power facilities). In any event, the abolition of the Nuclear Energy Act of 1964 is an urgent task awaiting a new legislative context.

The Community Council of Castilla-La Mancha is controlled by the party in power, but it has a UCD-PSOE coalition on its executive board. Acting in a spirit of prudence and foresight, it must make a forceful and responsible response to the many nuclear issues which have arisen. This response must not be overly timid or supportive. And there must be no inferiority complexes.

7679

CSO: 3110/213

BANKRUPTCIES INCREASING IN SPECIAL DEVELOPMENT REGIONS

Helsinki UUSI SUOMI in Finnish 30 Jul 82 p 14

[Text] More reverses than usual have recently been encountered in business operations in the special development regions. According to Eino Petajaniemi, the general manager of the Development Region Fund (KERA), more businesses operating in the development regions have gone and will go bankrupt in Finland this year than in previous years.

"The problems are, however, not yet excessively great from the standpoint of the KERA," Petajaniemi thought.

"A growing clientele also automatically means an increase in the number of reverses."

Early this year the KERA acquired new clients. At the present time there are about 4,200 businesses which are clients of the fund, whereas at the end of the year there were just under 3,800. Petajaniemi regards the fact that over 280 of the clients in the group are new businesses as particularly gratifying.

"This shows that new business activity is quite favorably viewed in the development regions. Businesses have invested in both expansion of their operations and development.

In Petajaniemi's opinion, the results speak for the favorable effects of regional policy on light and medium-sized industries. Heavy industry's share of new jobs has been small to the point of vanishing.

"It is, of course, understandable that heavy industry has to invest to preserve its ability to compete. On the other hand, the TKL's [Industrial Confederation] position that we should compromise on regional policy funding in order to accelerate heavy industry investments is incomprehensible," Petajaniemi snapped.

"If we intend to deal with employment and keep the development regions inhabited, there is no reason to reduce development policy funding.

Bankruptcies Due to Miscalculations

According to Petajaniemi, miscalculations that have led to the frequent bankruptcies that have occurred in the development regions are primarily due to slower recovery of the economic situation than forecast.

To maintain businesses' ability to compete, the KERA has particularly concentrated on getting them back to a sound economic basis and increasing their level of competence.

"It is now important for us to assure continuation of their willingness to invest and channel available funds into sensible projects in terms of the business economy in the development regions," Petajaniemi demanded.

During the first part of the year the KERA received almost 2,500 applications for funding and 760 million marks in funds were allotted for investments totaling over 2 billion marks.

11,466

CS0: 3107/160

INNER WORKINGS, PRODUCTION GOALS OF AEROSPATIALE DESCRIBED

Paris LE NOUVEL ECONOMISTE in French 28 Jun 82 pp 48-53

[Article by Philippe Gazier: "Mitterrand, the Aircraft Manufacturer"]

[Excerpts] A happy Mitterrand, in a successful 7-year period...
Is there an "Aerospatiale model" that might be a counterpart
to the Renault model?

After the battlefields come the financiers' accounts. This is a delayed reaction to the Exocet. Within 6 weeks, more planes were shot down and more ships sunk, in the Malvinas and in Lebanon, than in 35 years of cold war and localized conflicts. For weapons-exporting nations, this heralds a renewed increase in demand. Out of every 100 francs in war materiel sold by France--the world's third-ranking exporter--around 70 involve aeronautical equipment: planes, helicopters and missiles. This helps to understand the evaluation of the 7-year record of that "other Mitterrand," Gen Jacques Mitterrand, 64, Aerospatiale's president--director-general since 1975, and whose term of office has been extended until 1983. All over the world, civil aviation is facing a deep-seated crisis as Lockheed abandons its Tristar, McDonnell Douglas is not getting any more orders for its DC-10, and Boeing is laying off workers by the thousands. This is the moment chosen by Aerospatiale to announce the first real profits in its history. As the Exocet builder and Airbus assembler, the creator of the Ecureuil and Super Puma helicopters, the industrial architect of the Ariane launch vehicle and of the Strategic Nuclear Force missiles, could it be that Europe's number one aircraft manufacturer (sharing that rank with British Aerospace) has found the right balance between the civilian and the military, between state programs and international consortiums?

General Mitterrand, the French president's younger brother, began his education as an industrialist at the age of 57, when the Chirac government offered him the post Mr Jacques Mayoux had just turned down. Unsettled by the failure of the Concorde program and by the slow start of the Airbus and lacking firm strategic leadership, Aerospatiale was then the "Montedison" of the French public sector. A graduate of Saint-Cyr, an Air Force general and former commander of the Strategic Forces, General Mitterrand in no way exhibited the businessman's profile initially sought by Mr Valéry Giscard d'Estaing's advisors. Actually, however, his fresh view of the industry and his total independence of internal coalitions were much more valuable than a manager's certificate. Within 7 years, Aerospatiale changed its style, its image and its destiny.

In 1976, Aerospatiale showed a 620 million franc deficit. In 1979, the company broke even for the first time. The first profits before taxes, 119 million francs, came in 1980. In 1981, that tendency was confirmed, with 403 million francs. The net profit obtained was 158.6 million, for a turnover of 16.5 billion francs and 46.8 billion francs in the order book. Profits remain quite modest compared to Boeing's, but the accounting structure has been entirely reorganized: barely 617 million francs of indebtedness (in 1977, this amounted to 4.4 billion francs). And, as pointed out by Mr Michel Euvrard, 48, a graduate of ENA [National School of Administration], inspector of finances and central director for administration and finance: "Aerospatiale is even going to pay the state more than 200 million francs in corporate taxes for the 1981 fiscal year!"

When he moved into his seventh-floor office at the national company headquarters on Boulevard de Montmorency in Paris, General Mitterrand had two major problems to solve. On one hand, reconstructing the flowchart of an overexpanded assortment of research departments, divisions and plants. On the other hand, defining the total strategy while keeping in mind the wide portfolio of products involved.

Should their orientation be that of a pure and simple conglomerate, in the style of United Technologies? "After General Mitterrand's arrival," admits 47-year-old Mr Yves Barbe, ENA graduate, inspector of finances and deputy director general, "we wondered whether we should not turn the company into a holding company and more openly diversify its activities."

Concentration

Finally, the opposite decision was made. Except for a certain number of activities entrusted to subsidiaries, Aerospatiale today essentially revolves around four main operational divisions (established as early as 1974). "Our basic idea is that Aerospatiale should not stray from its four basic jobs: planes, helicopters, missiles and space," the general explains. "It is not our purpose to build an industrial empire outside aeronautics or space."

Thus Aerospatiale is turning its back on the model of MATRA, which fully changed into an electronics specialist firm when the state encouraged a large redeployment. "We shall become increasingly specialists in electronics, but without becoming an electronics group." The same analysis applies to the subject of machine-tools. If the administration really have their hearts set on Aerospatiale's participation in one of the poles now being created (together with TMI [expansion unknown], Line SA and seven other "nationals"), management will only grudgingly agree to it. Aerospatiale has to do with air and space, that's all. In that context, the very recent repurchase of state-owned shares at Crouzet's and the joint establishment of a holding company that will make it possible to become a majority shareholder of SFENA [French Air Navigation Equipment Company] (a specialist in aeronautical equipment), both fit in well with the group's industrial policy.

Upon arrival, the general had found a leadership structure that included a board of directors as well as a supervisory council. Management's collective

aspect did not much simplify decision-making. "That company really needed to be taken in hand." Hence the return without delay to the classic corporate formula.

Through his manners and his style, the general has allowed a certain personalization of power to develop at the top echelon of the company. This is due, among other factors, to a policy of active presence. Aerospatiale's chief travels a lot, visiting plants and customers, in a company-owned Corvette or using regular Air France routes. He keeps up multiple contacts with other airplane manufacturers all over France, Europe and elsewhere: first within the French professional organization, the GIFAS [French Aeronautical and Space Industry Group], which he has headed since last summer, and also [as a member of] AECMA [European Association of Aerospace Equipment Builders], a European association which is striving to achieve homogeneity for European air space. Lastly, on a regular basis, he plays the part of a roving ambassador for his brother, the president of the republic, as he goes to Riyadh--last summer--or to Cairo, Tokyo, New Delhi or Brasilia....

Every Tuesday Aerospatiale holds a "minister's council." This, at headquarters, is the pet name for the weekly executive board meeting. This decision-making body works on dossiers turned in by two committees: programs and budget. Heading the programs committee is the company's vice-president and chief executive, Mr Roger Chevalier, 60, graduate of Ecole Polytechnique, aeronautical engineer and formerly associated with SEREB [Company for Research and Manufacture of Ballistic Missiles]. Mr Yves Barbe heads the other. Reporting for both technical committees is Mr Jean-Charles Poggi, 49, also a graduate of Polytechnique with a master's degree in science from California, formerly the president's cabinet director, and since 1 January last, deputy director general in charge of programs. Beside the few members of the functional management, the executive board includes the heads of the four operational divisions.

To prevent a certain separatistic tendency on the part of the divisions, "central management has carefully created and developed internal dialogue," explains Mr Francois Legrand, 59, a graduate of Polytechnique and "Sup Aero" [Aeronautics Institute], head of the helicopters division.

The divisions discuss production methods and organization among themselves. There are also consultations on the selection and use of new materials. Mr Barbe explains: "We had to avoid an overly disorganized rush towards composite materials." Hence the coordinating mission entrusted to the central laboratory in Suresnes, headed by Mr Joseph Millara, 60, Paris X and "Sup Aero" graduate, technical chief executive.

Cooperation among the divisions also extends to the purchasing policy, which is by far Aerospatiale's largest item of expenditure, in the amount of 53 percent (while personnel costs in 1980 were about 31 percent).

Being state-owned, a national company's first duty is to satisfy the state's foremost needs. Its natural development presupposes maintaining high technical standards and sufficient self-financing capabilities. Still, in order to achieve these goals, the company must reach a certain volume of activity. As

the general frankly states: "France is a medium-sized market. We are not far from the minimum limit, as far as our national clientele is concerned."

As a matter of fact, Aerospatiale can only survive by giving priority to exports. Three formulas are possible: The marketing contract, which may or may not be supplemented by a base for maintenance and after-sale service (such as SAMAERO in Singapore), industrial cooperation with local industrialists expressed by the installation of an assembly plant, such as Helibras in Brazil a (45 percent subsidiary), or Aerospatiale Helicopter Corporation in the United States (Grand Prairie, near Dallas), a 100-percent subsidiary, and finally, of course, international cooperation through consortiums of the Airbus Industrie, Euromissile or Arianespace types.

Cooperation

The group's volume of direct exports exceeds 50 percent of the total turnover. If you add to it the subassembly parts supplied to Dassault or to other builders, the proportion exceeds 60 percent. After a few years of euphoria, international programs today appear increasingly difficult to implement. "European cooperation no longer shows the punch it once had," General Mitterrand notes. "This is even a matter for serious concern."

Most question marks have to do with Germany, as the new PAH-2 French-German antitank helicopter is at a standstill and the direct television satellite project is in limbo. At the moment the only seemingly surefire project is the development of the Airbus "family," which was the reason for France's better showing in foreign trade in May. In spite of the innumerable obstacles encountered in insuring financial backing for the "newcomer to the family," the small A-320 Airbus with 150 to 160 seats.

One positive note is being sounded in 1982's morose context: the start of French-Italian cooperation on the building program for the ATR-42 regional transport plane and, at the same time, the Italian industry's probable membership in the European group of builders of the forthcoming A-320 airbus (until now, Italian aircraft construction--involving 42,000 persons--had been linked mostly to American industry, whether in regard to airplanes or helicopters, and particularly where Boeing and Bell Helicopters were concerned). Italy's ties with other European builders of airliners would thus be a positive step.

Everywhere, however, for the Italians, the British, the Germans, the Dutch or whomever, the American attraction remains quite strong. Fokker's future, for instance, is still in the balance. Having made futile attempts with Boeing, then with McDonnell Douglas, the famous Dutch builder began negotiations with Lockheed--always remaining careful "to avoid selling out to the devil" (that is, to Airbus Industrie), as LE NOUVEL ECONOMISTE was told by the company's president, Mr Franz Swartow. This is the same man who just went to Toulouse to look into possible cooperation....

With or without Fokker, "the decision to launch the A-320 has become urgent," Aerospatiale cadres feel, and their opinion is shared, of course, by the company's union leaders. The firm's central shop committee (whose secretary is

a technician and group leader from Mariagnane, Mr Eugene Rigolini, of FO [Workers Force]) wrote in late March: "The ATR-42 may in no way be considered as a program to be substituted for the A-320."

With regard to Airbus Industrie, Aerospatiale has, in theory, the noblest role, that of assembler, but it must acknowledge the growing direct influence exerted by the European group set up by Mr Henri Ziegler and headed since 1975 by Messrs Bernard Lathiere and Roger Beteille.

What is clear is that Airbus Industrie is eclipsing the consortium's companies. Mostly, however, it tends to push the major partners (all of whom want to remain total aircraft builders) towards specialized sectors, a problem felt at the same time by the engineers at Aerospatiale, at Messerschmitt-Boelkow-Blohm (MBB) and at British Aerospace. "At Aerospatiale, we are becoming better and better at manufacturing cockpits and assembling planes, while the British [are becoming better and better] at building flying surfaces, and the Germans, fuselage sections. But this could go too far, with no one left with the ability to build large airliners by himself!" quips an engineer.

Whether that development is to be applauded or lamented, Airbus Industrie is gradually becoming Boeing's only serious competitor. In the United States, Lockheed will cease production on its large Tristar 1011 beyond the year 1983 and McDonnell Douglas is about to do the same with its DC-10 (only 18 are left on order by the U.S. Air Force), leaving only Boeing in the field. Airbus Industrie and Boeing will be sharing between them a market estimated at some \$112 billion during the next 10 years, including 73 percent for non-American companies (the "tally" was completed quite recently by Boeing president, M. T. Wilson).

All by itself, the Airbus program represents 65 percent of the battle plan of the aircraft division of Aerospatiale. But, like any manufacturer of airliners, Airbus Industrie and its partners are suffering the repercussions of the crisis in air transportation. Several customers requested postponement of their delivery dates. Orders that had been expected have not yet been received. In addition, many companies live on their inventories, buying no spares.

Under the circumstances, should the issue of speeding up Airbus [production] be reopened? "We are keeping our trust in the market and we are taking a chance in getting long-range supplies," replies 60-year-old Mr Andre Etesse, Polytechnique graduate and head of the division. Fifty-two airplanes should come off the Toulouse assembly line this year, with 67 in 1983, 87 in 1984, including models A-300 B2 and B4, A-300-600 (fewer than initially expected) and A-310.

Except for the Airbus and the ATR-42, Aerospatiale cannot hope for any other medium-term sales, especially not in the realm of military planes, which has been Dassault's private preserve since 1957. Although Dassault is now officially in the state's orbit, many are still contesting its monopoly. Veterans of Nord-Aviation or Sud-Aviation have never admitted it. "When I arrived in 1975," General Mitterrand acknowledges, "I wanted to take an earnest look at the problem of Dassault's more sharply defined specialty as a designer of

military planes, but I found that conditions were not favorable for changing the rules of the game."

Setting aside his questions regarding the future of civilian programs, Mr Mitterrand is much more concerned at this time with the upcoming battle plan for his tactical missiles division. To be sure, the torpedoing of the escort ship Sheffield by an AM-39 Exocet triggered an avalanche of demand, but Aerospatiale is interested in the new generation of missiles and, in that respect, is worried about the government's current wavering. The start of new military programs still has not been decided, whether the issue is the SX ground-to-ground missile (which only requires a small substructure and thus is portable and easy to disperse), or the Hades missile, destined to guarantee a replacement for the Pluton, a "theater (of operations) weapon," or the anti-tank helicopter. "We hope that the government's intentions will be expressed in the budget area," emphasizes the head of the Ballistic and Space Systems Division, Mr Pierre Usunier--"Usu" to his engineers. That will have to wait until one of the two defense councils planned between now and the end of the year.

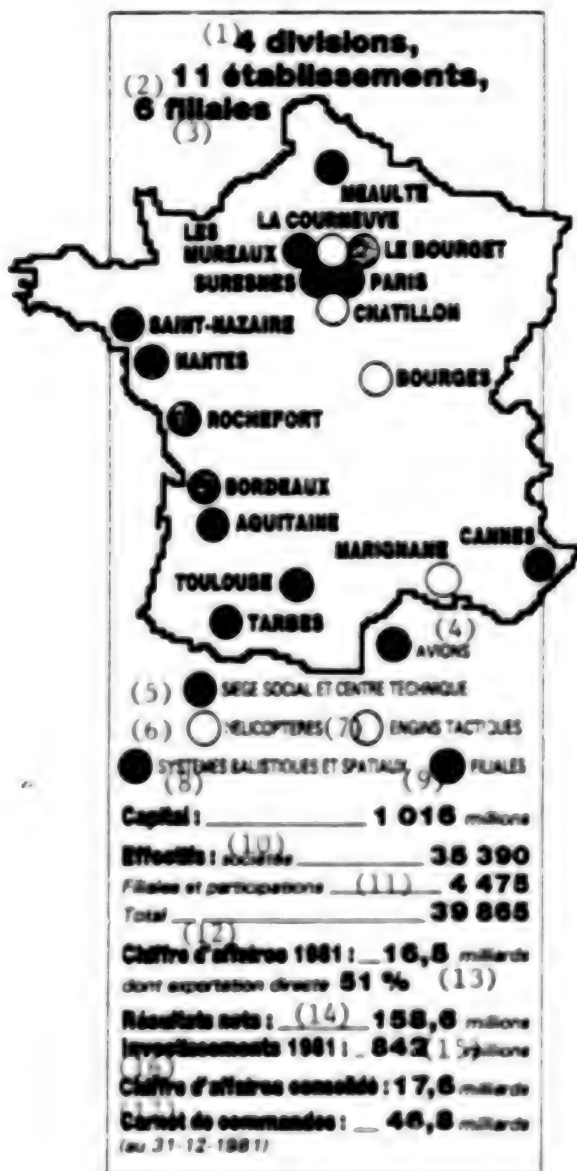
As the Malvinas conflict brought into sharp focus the role of external intervention forces, it may upset the catalogue of priorities. Some choices will have to be made before the Ministry of Defense writes the programming law that will fit in with the Ninth Plan, and before research and development credits are taken into account in Title Five (Defense equipment budget), because the company's long-term strategy is necessarily dependent upon those new programs. For a national company, it is not easy to be "exemplary" when the state as a stockholder and the state as a buyer do not coordinate their moves. Anyhow, the economic success to which Mr Mitterrand aspires is not only contingent upon its sponsor's goodwill, it also depends on the restrictions imposed in the name of "social exemplariness."

On that subject, in spite of a rather neutral social image, Aerospatiale boasts that it is not lagging behind. "Ours was the first national company to sign a solidarity contract," (covering 1,500 salaried workers) recalls Mr Roger Courot, 60, delegate general for labor relations (and previously secretary general). It was signed on 17 February at the Ministry of Labor, during a summit meeting between the general and Mr Auroux, who is not only the labor minister but also mayor of Roanne, where the AMX-30 tanks are assembled.

Is solidarity a sign of calm? "At Aerospatiale, we have a very diversified labor picture," Mr Courot explains. There is no company union, but a "coalition" involving the FO, CGC [General Confederation of Managerial Personnel] and CFTC [French Confederation of Christian Workers], which represents 41 percent of union members, far ahead of the CGT [General Confederation of Labor] (27.8 percent) and CFDT [French Democratic Confederation of Labor] (18 percent) by the end of 1981, as opposed to 33.6 36.6 and 14.3 percent, respectively, at the end of 1974.

From early 1970 to late 1981, CFDT adopted a "marginal" attitude, always refusing to sign work agreements and the annual supplementary agreements. During the summer of 1981, some CFDT leaders were even in the forefront (outside the premises) in criticizing, among others, the recruitment methods used at

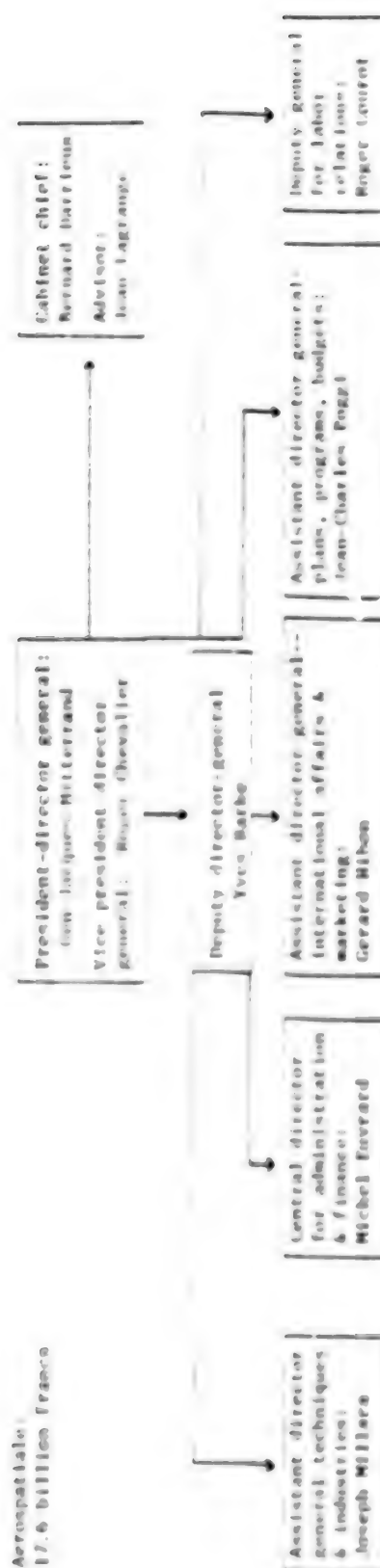
Marignane, Toulouse and Bourges, and the policies concerning raises, promotions and career management. "Aerospatiale should not be mistaken for a testing ground," the general commented, annoyed. Still, this is a tempting idea to certain political and labor leaders, who are for their part, also annoyed at the slightly too military manner of "the aircraft manufacturing Mitterrand."



Key:

- (1) 4 divisions
- (2) 11 offices
- (3) 6 subsidiaries
- (4) Airplanes
- (5) Head office and technical center
- (6) Helicopters
- (7) Tactical missiles
- (8) Ballistic and space systems
- (9) Subsidiaries
- (10) Manpower: companies
- (11) Subsidiaries and shared ownerships
- (12) 1981 turnover: 16.5 billions
- (13) Including 51 percent direct exports
- (14) Net results
- (15) 1981 investments
- (16) Total turnover: 17.6 billions
- (17) Order book on 31 December 1981: 46.8 billions

Aérospatiale
17.6 billion francs



Divisions	Airplanes	Helicopters	Tactical Missiles	Ballistic and space systems
Directors	Andre Fleesse	Francois Legrand	Michel Allier	Pierre Hamler
Manpower	14,250	7,620	6,390	6,120
1981 Turnover	5,840	1,420	4,240	2,860

French Industrial Subsidiaries	SOCATA (light planes)	SUDAMA (repairs, maintenance)	SECA (repairs, maintenance)	SUREA (commercial equipment)	DAS (electronics)
President	Pierre Gaultier	Michel Thomas	Michel Thomas	Georges Barriere	Pierre David
Manpower	800	1,100	390	860	190
1981 Turnover, in millions of francs	219	405.3	195.6	297	137.8

European Cooperation Organizations:

Airbus Industrie
Euromissile
Regional Transport Planes
EMDG (European Missile)
Eurosatellite
Arianespace

Aerospatiale's Share:

37.9 percent
50 percent
50 percent
33 percent
24 percent
8.5 percent

Foreign Subsidiaries and Their Participation:

Aerospatiale Helicopter Corporation (U.S.)
Maroc-Aviation
Samaero (Singapore)
Helibras (Brazil)
Heliavia (Federal Republic of Germany)

Aerospatiale's Share:

100 percent
99.7 percent
49 percent
45 percent
27 percent

11936

CSO: 3100/852

RHONE-POULENC CHIEF QUILTS: INDUSTRY SEARCHES FOR FINANCING

Fr14 Billion Needed

Paris LE MONDE in French 22 Jul 82 pp 1, 23

[Article by J.-M. Quatrepoint: "Financial Problems of the Nationalized Firms Highlighted by Gandois' Resignation"]

[Text] Reorganization at Air France Headquarters, Which Perol Is Leaving
10-Billion Cutback for Social Security

Jean Gandois, general director of the recently nationalized firm Rhone-Poulenc, is quitting his job. His resignation was submitted in the greatest secrecy last 18 Jun to Pierre Dreyfus, then minister of industry, and was accepted Tuesday, 20 July, in late afternoon by J. P. Chevenement, minister of state, minister of research and, for the last 2 weeks, minister of industry. This Wednesday, J. P. Chevenement was to present the cabinet with the name of a new general director for the number one French chemical firm.

In the letter he sent to Pierre Dreyfus on 18 June, Jean Gandois wrote in particular: "I believe that my deep convictions are liable to be an obstacle to the policy that the new stockholder wishes to follow." To the resignation of the head of Rhone-Poulenc must be added the departure of Gilbert Perol, general manager of Air France, who apparently is in disagreement over the way this firm is to be managed.

Generally, the nationalized firms, of which the boards of directors will be meeting in the next few days to appoint permanent chief executive officers, are suffering from financial difficulties that the state does not appear capable of handling. Increased demand for funds are coming as the administration must find a way to cut back Social Security by Fr10 billion.

Beregovoy was to comment on this at the cabinet meeting of Wednesday, 21 July (see page 28). The entire problem of budgetary discipline and financial decisions is raised by these questions.

The State Stockholder and the Industrial Imperative

The coffers are empty! On all sides during this blistering Parisian summer there are nothing but wails and lamentations. In the ministries, the hunt for billions, even millions, is under way to bring the budget deficit down to the limit set by the president: No more than three percent of the gross national product. A severity that is even more painful because, it must be said, it follows a certain laxity. We distributed to everybody; today we have to tighten the screws.

These somber budget cuts come just as we are expecting a large-scale financial effort from the state in fulfilling its duties as a stockholder of nationalized firms and stimulating industrial investment.

Socialist talk always emphasized the "leading role the public sector should play" in industrial development. This was even the primary justification for the nationalization program. "From now on we have an industry that has to run. These industrial firms are ravenous for short-term capital, because they have to clean up the past and prepare for the future at the same time."

For this high-level Socialist government official, "nothing would be worse than half measures. We would succeed in neither plugging the holes nor in maintaining the strong points of French industry, nor in putting industry in sectors with future potential. The only result would have been wasting yet a little more money without any real result."

This is apparently what is feared in all the nationalized industrial firms. The lack of financial resources, the uncertainty of tomorrow and the impossibility of being able to plan are burdens that are hard for the managers of these firms to overcome. It must be admitted that the events of these last few months could only add to their fears.

The catastrophic financial situation of most of these firms and the unfreezing of investments that have been dormant for almost 18 months required a quick, large-scale financial effort by the state-stockholder. For 1982-1983, PUK [Pechiney-Ugine-Kuhlmann] and Rhone-Poulenc each need at least Fr3 billion just to "clear the dial." CII-Honeywell Bull is not far from 2 billion. Thomson-Brandt has asked for 1.8 billion and the CGE [French General Electric Company], 1.4 billion. As for the steel industry, its calculated needs of 6 billion are, in the opinion of specialists, notoriously underestimated.

At present we are far wide of the mark. We are barely beginning to see clearly for 1982. The competitive public sector (Renault, the steel industry, CII-Honeywell Bull, CGE, Thomson-Brandt, Saint-Gobain, PUK, Rhone-Poulenc) is supposed to receive Fr 6.4 billion in capital subsidies: 3.4 billion in the budget and 3 billion in extraordinary credits.

The distribution of this 3 billion from the extraordinary credits was decided on several days ago. The steel industry will apparently receive 2 billion and PUK and CII-Honeywell Bull Fr500 million each. The fact that Rhone-Poulenc is not in this list is perhaps not unrelated to Gandois' departure. Fr6 billion in participatory loans will be added to this, but its distribution has not yet been decreed.

Several days ago, in front of the English-speaking press, Fabius cited the future of Fr11 billion in capital subsidies for the public industrial sector in 1983. This amount would be divided into 7.5 billion for the firms of the competitive sector (including Renault and the steel industry) and 3.5 billion for the national firms in the transportation sector.

These figures, however, are subject to modification, since not all the decisions have yet been made. The bulk of these capital subsidies, however, are liable to be reserved for the "maelstroms"--the steel industry and heavy chemistry. But investments must also be made in other sectors, especially those with future promise.

The Deficiency of Industrial Policy

It is estimated that about Fr14 billion in actual capital will be needed in 1983 for industrial firms alone. Even if financial engineering finds a way to make up part of the difference, it will be necessary to go well beyond the planned 7.5 billion if the investments of nationalized firms are to be stimulated.

The administration's first goal should be to find the financial means for its industrial policy without making sacrifices elsewhere. At the least it intends to harmonize its talk and its actions. However, financing through the budget can only be one aspect of its plan, which should be oriented very quickly in several directions: Simplifying aid to industry and unifying firms' administrative management; directing savings toward industry, which is emerging from its old ways; clearly defining the role of the banking sector; and reconsidering the injection of billions and billions of francs into the saving of "cripples." Are we not risking the loss of tens of thousands of jobs tomorrow by saving thousands of jobs today? Last, the rules of the game must be set--the framework within which French industry, nationalized or not, is going to develop in the coming years.

Gandois Cites Policy Conflict

Paris LE MONDE in French 22 Jul 82 p 23

[Article by Andre Dessot: "Against State Intervention"]

[Text] The most optimistic gave Jean Gandois 2 years to leave Rhone-Poulenc, the pessimists, less than 1 year. The chief executive, an escapee from nationalization, actually lasted only 4 months.

The secret was well kept. Gandois had, however, promised to announce his "irrevocable" decision only when the administration deemed it timely.

Strictly speaking, this departure is not a surprise. For several weeks the general director of Rhone-Poulenc, both in public meetings and in private conversations, had been irritable and did not shrink from vigorously protesting state intervention in areas that, in his opinion, fell under the firm's jurisdiction.

The letter he sent to P. Dreyfus leaves no doubt about the feelings aroused in him by the government's economic policy. A conductor by nature but not a soloist, Gandois, because of the constraints imposed on him from above, could no longer be the leader and properly conclude the reorganization plan begun through his efforts well before the Socialists came to power. Naively no doubt, he thought he had contributed to the recovery of a firm that was close to his heart. But the time for illusions quickly passed.

Having lost his enthusiasm as the weeks went by, above all without hope, and lacking money (the firm's needs are estimated at more than Fr3 billion) he was unable to give the firm that he headed the leading role that had devolved on it. Moreover, his authority had been reduced, and this prevented him from remolding Rhone-Poulenc in his fashion within the too narrow framework of the restructuring plan for French chemistry. This man of decision, who had never been touched by a thought of submission, could only resign. He did it elegantly.

On his departure, J. Gandois left a clear-cut situation. All the reductions in staff were carried out by using to the maximum all possibilities for reassigning and transferring workers and granting retirement. Rhone-Poulenc was even an innovator in this respect, offering its employees the option of leaving at age 55, 52 1/2 for handicapped employees.

At the Worst Moment

It is still true that J. Gandois' resignation has come at the worst moment, even if it probably does please the CGT, which had several times asked for the general director's head.

Rhone-Poulenc was beginning to harvest the first fruits of intense efforts undertaken to put the firm back on track. The figures from the first months of the year were slightly in the black. Accompanied by a still difficult economic situation, the price freeze along with reduction in the workweek is liable to quickly strike a heavy blow to the number one in the French chemical industry.

Deprived of its capital, the firm is going to have to look for a new unity painstakingly established since June 1979, the date of J. Gandois' arrival as chief executive officer. Above all, it must not succumb to the temptation to give in when faced with fierce foreign competition, which could easily take this opportunity to cause difficulties for Rhone-Poulenc.

The task of Rhone-Poulenc's new general director, who should be named during an upcoming cabinet meeting, will not be easy. To give new impetus to the firm, he must resort to borrowing in order to invest, unless the administration is a little more generous toward him or he decides to leave things as is--which seems doubtful, considering the risks.

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CSO: 3100/861

CITROEN PRESIDENT TALKS ON ROLE OF CGT IN LABOR DISPUTE

Paris LE NOUVEL ECONOMISTE in French 28 Jun 82 p 56

[Interview with Jacques Lombard, president of the Citroen management staff, by Alain Jemain of LE NOUVEL ECONOMISTE; date and place not specified]

[Text] Two weeks after Jean-Jacques Dupeyroux's intervention and 1 week after the devaluation of the franc and the price freeze measures, Jacques Lombard expresses his deep concern.

LE NOUVEL ECONOMISTE: Does the CGT's overwhelming victory at Aulnay mark the end of the Citroen conflict?

Jacques Lombard: The violent phase is over. Probably. But there are still underlying tensions at Aulnay that are kept alive by the CGT, which still intends to destabilize the company. The production level is 20 to 30 percent below what it was before the conflict. As for the results of the last worker elections, I should note that they did not take place in an atmosphere favorable to a totally uncontested electoral choice.

LE NOUVEL ECONOMISTE: What lessons do you draw from that?

Jacques Lombard: As to the causes of the conflict, I am convinced that the strategy of the CGT and the PCF alone explain the display of force that we experienced. Three factors favored this.

1. The worker transfers that we had to make for the last 2 years and which caused several hundred workers from Nanterre and Clichy, who had previously worked at nonassembly line jobs, to come to Aulnay to take--perhaps without preparation and without sufficient orientation--assembly line jobs. 2. The anticipated retirements that had to be implemented deprived Citroen of some of its knowledge in handling these problems. We had to call on a reduced, younger (and therefore less experienced) management staff. 3. We discovered that the CGT in the city of Aulnay had an activity center with up-to-date facilities. I will not go so far as to connect this discovery with the rather exorbitant sums that we are paying in the form of local taxes to the department of Seine-Saint-Denis (Fr13 million in 1981) and the municipality of Aulnay (32 million).

LE NOUVEL ECONOMISTE: What are the consequences for your social and union policy?

Jacques Lombard: We obviously cannot emerge from such a difficult conflict, which came after 14 years of social peace, without drawing various conclusions, of which there will be more to come. Socially, we have told ourselves that the various improvements that have been implemented since Peugeot took over Citroen in 1974 will be continued and, insofar as possible, broadened. By this I mean the individual savings-vacation plan, the insurance system against career hazards, cooperative groups for improving working conditions and quality circles. It seems to me that it is not by chance that Citroen is the firm with the fewest accidents in the entire French metal industry. On a union level, what comes out of the ballot boxes will naturally be honored by management. I would hope the same would be true for our social partners. The company agreement that was signed in February 1981 by the CSL [Confederation of Free Unions], the FO [Workers Force] and the CGC [General Confederation of Managerial Personnel] and in September by the CGT, which in particular established a procedure for settling conflicts, was swiftly forgotten by the CGT. I do not think it can stay that way for long. France is the only country in the industrialized world in which some unions reject the capitalist and liberal system in favor of political objectives. I have noticed that the CGT wields power of a revolutionary nature toward us that has nothing to do with the defense of staff interests. We are the hostage. In Germany, in the United States, in Japan, the unions honor signed agreements. But not in France, because the government has consciously renounced the state of law. As soon as the CGT is above the law, how can social policy be constructed in the firm?

LE NOUVEL ECONOMISTE: Should the recent devaluation enable you to participate in recapturing the domestic market and stimulating exports?

Jacques Lombard: This devaluation, because of the way it was done and especially because of the accompanying price freeze measures, is going to be very costly for Citroen and for the entire French automobile industry. Because of the inadequate level that was adopted, foreign manufacturers present on the French market will continue to benefit from an advantage in monetary parity. In addition--and this is probably the most worrisome--we are unable to take orders because, since 10 June, it has been totally impossible for us to have authorized rates. The administration has still said nothing about our proposals for increases regarding the inclusion of options and technical improvements for the 1983 models, which come out 1 July. This irresponsibility by the government toward an industry that has undergone strong pressures from foreign competition since the end of the war will very quickly lead to catastrophe. During this time, foreign models (the only ones with frozen margins and not prices) will be able to continue their advance. I might add that rumor has it that as of 1 November price monitoring accompanied by a ridiculously small increase will be instituted, which will practically allow purchasers to buy at March 1982 prices until the beginning of next year. Things are happening as if they want us to pay for the profits that we were guilty of during the time of free prices.

LE NOUVEL ECONOMISTE: And exports?

Jacques Lombard: For 3 years, the French automobile industry sacrificed its profitability on foreign markets for competitiveness. The recent devaluation will enable us to recoup only a small portion of our margins. And to top it off, all of this is happening while we are suffering terribly from a decrease in our inventory and are releasing this week the Visa GT and in September the BX from which, because of the freeze, we will be unable to get the just economic advantages we were anticipating.

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CS0: 3100/861

STATE OF DOMESTIC PETROCHEMICAL INDUSTRY EXAMINED

Paris L'EXPANSION in French 18 Jun-1 Jul 82 pp 80-85

[Article by Michel Herblay: "The Chemical Industry Is Looking For Its Path"]

[Text] For 30 years now the chemical manufacturers have not been getting on with each other. Will the three nationalized "poles" succeed in doing so?

"Things haven't come to a head," says Jean-Claude Achille, who is president of the Professional Chemical Industry Association. "For the moment it is every man for himself," confirms Jean Gandois, who has been kept at the head of Rhone-Poulenc in spite of his opposition to nationalization.

So Minister of Industry Pierre Dreyfus' 12 May report to the cabinet is not yet the much awaited plan which will get the chemical industry out of its present crisis and deliver it from its uncertain future. The report was just a catalogue of general ideas, suggestions and recommendations formulated with great caution--somewhat because the chemical industry has to be first and foremost the concern of the chemical industry manufacturers, and mainly because a long job of investigation and hearings had taught the new political authorities that the chemical industry is a world in which company teams often hate each other with rare passion and in which "one out of every two mergers in the past has miscarried," according to Jean-Claude Achille's sad way of putting it.

The real plan, mandatory and precise, will be coming out later, in addition to the in-house plans on which the great brains in the main companies concerned have been working the last few months. But the government authorities were not able to delay taking a stand any longer, if only a cursory one. The state is in fact now a shareholder holding over half of the French chemical industry, and it would be politically ill-considered for the government's leaders to let people think that they wanted that ownership without pondering over what they would do with it.

In addition, the sickness from which the chemical industry is suffering is not imaginary. At that cabinet meeting, Pierre Dreyfus spoke of "perils, comparable to those of the iron and steel industry"--of a "debacle with tragic economic and social consequences." The minister was doubtless not so

in

much thinking about the 4 billion francs of losses that the industry is announcing for 1981: that is on the same order of size as EDF's [French Electric Company] shortfall, and who feels sorry for EDF? The tragedy in question is rather the prospect of a Draconian slimming cure (European capacity in heavy petrochemicals is going to have to be reduced by a third), or even the almost total loss of a French chemical sector. In fact, if a recent prophecy of the American giant, Dow Chemical, is to be believed, only about 20 large companies will be sharing the world chemical market among themselves in the year 2000. Now then, in the current state of affairs, no French firm has either the size nor sufficient resources to figure among that group.

Well, on 12 May the government had to lay down a principle: the chemical industry does not lend itself to being an entity of the class which could be called "Chemicals of France." The theory had been appealing, as much in Socialist ranks as among the chemical industry people themselves, anxious to block the separatist tendencies in the industry which are constantly canceling out the no less real tendencies toward groupings and mergings. A former director of PUK [Pechiney-Ugine-Kuhlmann] chemicals, Amaury Halna du Fretay, had caused a sensation by coming out with a long analysis (in LE MONDE) calling for the creation of that "Chemicals of France." There was nothing ideological about that point of view. The author merely made the observation regarding the scattered state of the French chemical industry that "reservations people have about size conceal the phenomenon of their rejection of merger operations, however essential to a process of integration those may be and this rejection is on the part of not only management but also the entire body of personnel." He was speaking as an expert: the merger of Ugine and Kuhlmann under the aegis of Pechiney was one of the most awful industrial management failures in recent times. PCUK [expansion unknown] has remained a disastrous fiction that Philippe Thomas, PUK's president, was not authorized to sell as a unit to the American Hammer and that his successor, Georges Besse, is today being invited to sell by divisions. Thus the time for a "Chemicals of France" has not come. The state as a shareholder, falling in with the opinion of the majority of the industry, has preferred to advocate a structure in three "poles," putting forward a psychological argument. French consumers do not like a sole supplier. They want to be able to choose, or to think that they are choosing. A "sole outfit" would soon result in an increase in imports...

One still has to come to grips with reality. Rhone-Poulenc must still do away with several thousand jobs in its textile branch between now and the end of 1983. "The government authorities were in a special hurry to resolve the PCUK problem," is the assessment of Georges Dominjon, vice president of ERAP [Petroleum Prospecting and Activities Enterprises], for his party. "They chose the simplest and not necessarily the best solution. Entrust the whole thing to Elf-Aquitaine, which cannot refuse and will then have to choose what it keeps and what it doesn't. But is it good management to leave people in a state of uncertainty as to the group in which they will have to be working?"

The chemical industry is a complicated industry--an inverted pyramid resting on hundreds of primary products derived from petroleum, coal, natural gas,

minerals, plants and air (the L'Air Liquide [Liquid Air] Company is counted in the chemical industry), moving up into millions of intermediate products which in turn give rise to countless combinations, transformations and associations before reaching consumer markets. A neophyte loses himself in a forest of barbaric terms; and a manager becomes involved in a maze of interconnected products and prices which makes him hesitate before deciding on a reduction in overcapacity or abandoning a line of production with low value added.

Withdrawal from a noncompetitive operation can in fact cause the general collapse of the whole house of cards, and so chemical industry people prefer getting rid of entire sections, the wheat and the chaff mixed up. That was the case, for example, when in 1980 Rhone-Poulenc let the Elf and Total oil companies have nearly all of its heavy petrochemical industry. Everything wasn't bad--far from it--in the enormous Naphtachimie complex (now renamed Chloe) in Lavera, whose 3.5 billion francs in sales the year of the transfer hid only 30 million in cash flow. But everything was holding together on the basis of that Naphtachimie platform which was closely connected with the steam crackers of neighboring refineries. Jean Gadois justified the aggregate transfer for three reasons.

First, large as they were, those heavy chemicals assets (Lavera, Saint-Auban, and so on), were no longer on an international scale, and Rhone-Poulenc, drained by its textile losses, did not have the financial means to expand them.

Next, Rhone-Poulenc, not having access to crude oil, bore the full brunt of the oil shocks and was not able to adequately pass them on in its low value-added operations (plastics).

Finally, it takes great strength to withstand the cyclical changes which characterize the world's major petrochemical markets. Rhone-Poulenc, with its various weaknesses, was no longer able to do so.

Surplus Capacity Crisis Until 1985

What miracle was going to make something good luck for Elf and Total that had been bad for Rhone-Poulenc? There wasn't any miracle: Chloe lost 360 million francs in 1981. Besides, the strategy of petrochemical industry manufacturers, French and foreign, is not determined. They denounce a crisis of surplus production which, according to UCSIP (Association of Petroleum Industry Employer Federations), will persist until 1985. "Far from leading to a healthy reestablishment of the structures of production to the profit of the most competitive installations, this crisis has sometimes been worsened by the concern of governments to keep firms in operation that are threatened with extinction, the goal of the governments being to curb the spread of unemployment," one reads in a recent document of the association.

However, petrochemical manufacturers are themselves responsible, at least in part, for that surplus capacity. For example, after French consumption of plastics rapidly increased by 16 percent a year from 1962 to 1973, it fell in a big way (by more than a sixth) in 1975 and presently has only a low rate of

growth, on the order of an average 2 to 3 percent a year. In spite of this trend, in 1977 the Shell group decided on a powerful 350,000-ton capacity steam cracker for ethylene in Berre, and inaugurated it in 1980. The [French] Coal Board was doing the same in Dunkirk in partnership with the state oil company of Qatar. Thus, right in the middle of a defensive phase, and with the uninspiring prospect of very slow improvement, the French petrochemical industry was increasing capacity by nearly 1 million tons, which is to say 50 percent!

To be sure, some superannuated plants have been declared obsolete, in Berre and in Lavera. In the FRG, Hoechst is closing a polystyrene plant in Breda and another high density polystyrene one in Frankfurt. During the last 2 years a total of 4 million tons of capacity in Western Europe will have been cut out, but 30 to 40 percent of the facilities in place are still surplus. Under pressure from government authorities, the chemical industry in Japan is carrying out an agonizing reappraisal. Today's big supplier for Southeast Asia, Japan is getting ready to become the world's largest importer of petrochemical products in 1990, from Canada and the Middle East. Those two areas do not have much of a presence nowadays in chemicals markets, but all the experts agree in pegging them, maybe along with the USSR, as the big producers at the close of the century. That is for a very simple reason: They have the oil and the natural gas, and therefore the revenue and a considerable element of flexibility in the management of their petrochemical operations. Moreover, Canada has the cheapest hydroelectric energy in the world--an advantage which attracts both electrometallurgical and electrochemical industries.

The first petrochemical platform in the Middle East was inaugurated in February 1981 at Umm Said in Qatar. Others are being worked on in Saudi Arabia with support from Exxon, Mobil and Shell, and in collaboration with the development of refinery capacity in OPEC countries. This "delocalization" of heavy petrochemicals investment is considered irreversible and also in accordance with the logic of the new international division of labor. Chemical manufacturers are now following the petrochemical ones in this exodus. Dow Chemical is leaving for Arabia and canceling its projects in the United States; Celanese is setting up in Canada and Mexico. As for Citias Service, it is completely abandoning plastics, including its work under way on a plant in Texas.

Not Much Raw Material; a Lot of Grey Matter

These adjustment problems are controversial, in the United States and in Europe, for no one can earn a good enough living in the chemicals business any more. Even the pharmaceutical industry is complaining of profits too low to sustain its research funds. Time is short, and the French are dawdling, squabbling and being left behind. "When an adjustment problem is resolved in 3 years in Germany, it will take 6 in France if everything goes well," says Jean-Claude Achille, "and, in any case, nothing has changed in the French chemical industry for a year."

The question as to whether France is entitled to a chemical industry when it has hardly any of the basic materials is not asked. Perhaps France will

automate, and perhaps it will copy the system of quality circles, but it will never have Japanese daring...Regarding the chemical industry, France still has confidence in its opportunities which it lists thusly:

--Fine chemicals, with high value added: That is the constant refrain of Rhone-Poulenc, and also of all its big Western rivals. We are talking about chemicals entering into composite materials called for by the aerospace and electronics industries, active elements for pharmaceuticals, thermal fluids and so on. The special characteristics of those chemicals is that they combine little in the way of raw materials with a lot of grey matter. In the FRG this fine chemicals industry now represents from 20 to 40 percent of sales for chemical companies. In France it reaches only 10 percent, and the Ministry of Industry gives it "strategic industry" status, expecting good growth from it (growth has been 4.8 percent per year on average during recent years, which is twice the rate kept up for the whole chemicals sector).

--Thanks to the Lacq natural gas deposit, sulfur is one of the franc zone's chemical raw material components, and Elf-Aquitaine continues to provide about 10 percent of the Western world's production. However, the deposit is gradually becoming depleted and the extraction of sulfur is falling off at the same rate. Elf's Canadian resources, which were increasing, were given up in 1981, and the company substituted Texas Gulf's American phosphate resources for them.

--This new phosphate of Elf's after the phosphate the Gardinier group also acquired in the United States, poses a tricky political problem which is bothering the authors of the Chemical Industry Plan. Elf's new phosphate is of such considerable size that the French phosphate fertilizer industry cannot simultaneously accommodate its traditional Moroccan supplier's deliveries and accommodate those Tunisian producers are proposing and give preference to Elf or Rhone-Poulenc's American subsidiaries. The Ministry of External Relations and even the Elysee are involved in decisionmaking which will reorient the restructuring of the inorganic chemicals industry. Choices have not been made. Neither have choices which by setting special prices for natural gas would insure the survival of a nitrate fertilizer industry which is being stifled by excessively unbridled competition from the big natural gas-producing nations, which are the Netherlands, the United States and the USSR. From this standpoint, when it persists in wanting to have a presence in the market for major consumption items with low value added, the "natural gas chemicals industry" is no better off than the petrochemicals industry.

But one obvious thing emerges: The assets, actual or potential, of the French chemical industry will only become clear after a fairly profound transformation of performance in the industry. This transformation was under way in 1973, at least with regard to the concentration of the means of production and the simplification of the sector's organizational structure, when the first oil shock blocked everything. Overnight, a number of chemical products for which wood, paper, steel or glass could be substituted were no longer competitive. Control over oil revenue became decisive, and the grouping together which had previously been taking place around Rhone-Poulenc, for example, died out to the advantage of new poles constituted by oil producer-refiners (Elf and

Total) and sometimes by mineral producers (the potash industry of EFC [Mining and Chemical Enterprise] which in 1977 acquired a third of the capital of CDF [French Coal Board]-Chemicals).

The second oil shock in 1980 and then the 1981-1982 rise of the dollar have increased the disorder, each company being prompted only by financial considerations of survival and letting facilities become outdated that it no longer has the resources to either renovate or scrap. In Rhone-Poulenc's end-of-year statement for 1980 a comparison of two figures is particularly telling: getting out of heavy chemicals brought in 1,307 million in resources, but provisions registered for restructuring (dismissals, costs of closing) reached 1,620 million.

"The French chemical industry," says Jean-Claude Achille, "suffers from a congenital illness--its weak financing since 1945: little invested capital, much borrowing, and prices which are often frozen and generate insufficient cash flow. A long stage of rapid growth and, most of all, income caused by inflation (negative rates of interest) masked those weak points. Today growth is very weak, interest rates are positive, and the chemical industry is collapsing under debt and financial burdens. That is the disastrous chain of events."

The government (which is to say the few men in the Ministry of Industry and the Elysee who have taken charge of the chemical industry) briefly thought of giving ERAP a reorganizing role in the new government sector chemical industry. That body is discreet and respected. It is the only one administering a government holding in the capital of a limited liability company quoted on the stock exchange (Elf-Aquitaine) and having the experience of being an intermediary between the public and private sectors. Moreover, ERAP has some money--a portion of Elf's dividends--which would have made its interventionary activity more credible with manufacturers who since nationalization have been rushing to government counters.

The ERAP deal, however, was not carried through to conclusion, without too much being known about why. In fact, it came up against personalities that were too strong, against rivalries too firmly rooted, and against too much certainty on the part of individuals that they are always right. The program proposed by ERAP was dispassionate, coherent and logical; it wasn't able to take emotions and obstructionism into account, and it suffered from the enormous fault--even in the eyes of the government chemical industry people--of being regarded as technocratic. If it had been accepted and implemented, it undoubtedly would have had to have been imposed and it probably would have been necessary to slash through inevitable reservations of the hierarchies in firms.

So the government chose the perilous course of recommendation and encouragement for lack of wanting to dictate planning in its own industrial domain. "We have provided the general objectives," Pierre Breyfus cautiously pointed out. Thus, for chlorine production, which is currently scattered among four producers, Elf-Aquitaine and Rhone-Poulenc are being given the "mission of proposing grouping modes," while everyone in the business knows that Jean

Gandois, who was happy to give up the bulk of his chlorine production to Elf and Total, absolutely insists on keeping the chlorine production of his Pont-de-Claix platform.

The same kinds of invitations for manufacturers to get together and agree directly were sent out with respect to fine chemicals (Rhône-Poulenc and Elf), fertilizers (CDF-Chemicals, Elf, ENCI, Paribas-Cofaz), and plastics (ATO-Chloe, CDF, PCUK). Who is going to believe in sudden hugging and kissing among these teams of men who are used to tearing each other apart? "The government will play its role as arbiter and shareholder," repeated the minister of industry. Let us remember that promise, tempering it with this other ministerial caution: "The recovery of the chemical industry will take time." But how far will that be behind the recovery of the American, West German and Japanese chemical industries?

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CSO: 3100/778

UNEMPLOYMENT GETTING WORSE DESPITE IMPROVED 'STATISTICS'

Madrid YA in Spanish 19 Aug 82 p 17

[Article by Enriqueta de la Cruz]

[Text] Just a few days ago, the National Statistics Institute (INE) put out the news: for the first time in 3 years, unemployment dropped in the second quarter of 1982. Although only a 2.17 percent decline, the figure was significant. But Daniel Cara, of the Federation of Land Workers, of the General Union of Workers (UGT), told us later that this decrease does not correspond to a real drop in unemployment; it is merely the reflection of the National Employment Institute's new practice of counting community day laborers as employed rather than unemployed.

At any rate, the figure of 2,018,500 people still left idle in our country, according to the most recent data of the Statistics Institute, is significant and alarming. The latest statistics of the labor force survey indicate that the most significant declines in unemployment, with respect to the first quarter of the year, when unemployment climbed 3.74 percent, were found in agriculture, with 17.7 percent, and construction, with 2.1 percent. Agriculture is the productive sector with the greatest reduction in the number of employees in the last 4 years.

Industry, however, which has seen its unemployment rate soar to 24 percent in these 4 years, continued with an increase of 2.8 percent during the second quarter of 1982. The number of people seeking their third job climbed by the same amount. Now the situation is as follows:

Number of Unemployed, By Sector

Agriculture	101,100
Industry	189,400
Construction	155,200
Services	417,700
First-time job-seekers	768,100

As far as regions are concerned, the most industrialized areas have seen their unemployment rates grow more in recent years than the less-developed areas, due to the major impact of the crisis on their structures. Therefore

some exceptions, however; the most significant are Andalusia, whose 20.03 percent jobless rate is 7 points higher than the national average, and Extremadura. Both regions' problems are attributed to the agrarian structure to which they are tied.

It should be added that in 1981 352,500 workers were laid off due to personnel adjustments, costing a total of 152.255 million pesetas.

In view of all these statistics, which illustrate the problem by themselves, one wonders about the labor market and the actions being taken, or planned, by the Spanish Confederation of Business Organizations (CEOE) or by the two largest labor unions in the country, not to mention the government.

Labor Market in Recent Years

According to the conclusions recently reached by a task force headed by Undersecretary of Economics Jose Enrique Garcia Romeu and presented to the Ministry of Economics, the Spanish labor market has some structural characteristics that are very different from those of the other countries in our area, specifically, within the European Economic Community (EEC).

In the first place, the activity rate of the working-age population is lower and more unequally distributed by sex and by age. The participation of young people and the elderly is greater because of less time spent in school, and later retirement.

Unemployment hits youth the hardest: 55.6 percent of all those out of work are under 25, and most of them are looking for their first job. Among women, the unemployment rate is 11.9 percent higher than among men, and more than half (60 percent) of all jobless people have never gone to school or have completed only the primary grades.

Between 1976 and 1981, unemployment insurance benefits were on the rise, due to the growing number of unemployed and expanded coverage by unemployment insurance. This puts Spain in first place among the nations of the Organization for Economic Cooperation and Development (OECD) in terms of the amount of resources devoted to unemployment insurance as a percentage of the gross domestic product. The cost of wages has thus gone up, and it is becoming almost unbearable. The so-called underground economy has also flourished, because of increasing pressure by taxes and Social Security, in addition to the opportunities it provides the jobless, although many economists agree that it is not a good way to deal with unemployment. Others, however, state that the underground phenomenon is a very important palliative for the problem, although people must work under substandard conditions; unemployment insurance in our country, it must be noted, covers less than 40 percent of all jobs.

It should also be pointed out that between 1979 and 1981 47,700 individual businessmen and nearly 200,000 self-employed workers left their jobs. As far as labor relations are concerned, they were evolving between the Moncloa Pacts and the National Employment Agreement (ANE). The ANE has been

the source of several controversies lately, while observers of our labor market state, without giving any concrete formula, that these labor relations must fulfill two requirements: ensure that no one can better his lot without someone else's worsening, and maintain stability in order to avoid the uncertainty of our present system of wage negotiations.

The lack of investment is accompanied by, among other factors, excessive rigidity of employment in the mentality of management. Diego Predroso, chairman of the labor relations committee of the CEOE, told us the following: "We need greater flexibility in hiring, and some relief from the pressure of Social Security costs on our payrolls. Employment is becoming increasingly difficult, and during times of crisis excessive legislative protection of the worker actually harms him more, since it is difficult for capital to hire with the freedom that market fluctuations demand. We must also bear in mind that in Spain, the employer contributes 85 percent of Social Security."

Alfonso Vazquez, member of the Technical Cabinet of the Workers Commissions (CCOO), told YA that there is no such rigidity in employment. "That did happen during the period before democracy," he said, "when there were fixed jobs and the only thing that moved was wages. But now there are employment regulations, lay-offs through IMAC [expansion unknown], etc.; so there can be no talk of rigidity." Manuel Chaves of the UGT, for his part, focuses on temporary hiring: "Through this practice they can obtain the effect of the uncontrolled flexibility of the payroll, and the freedom to lay off workers. That formula is necessary, but there should be guarantees to prevent the replacement of permanent employees with temporary ones. This guarantee does not exist today, and it should come through greater control of the issue by unions, and the establishment of a time period for this regulation to be implemented."

Labor Minister Rodriguez de Miranda stated, on the other hand, that the decree on hiring is the most important measure, along with the Workers Statute, that has been carried out in the last 50 years. "In a situation of unemployment like this," he said, "there are just two options: either redistribute existing jobs like a scarce resource, or stimulate business activity to create employment."

Underground Economy and Other Forms of Employment

During times of crisis and unemployment, the so-called underground economy proliferates in various forms, including peddling or setting up stalls in the streets without official permission.

Sometimes the lack of permission is the seller's fault; other times it is because such permission is impossible to obtain. But the fact is, this phenomenon goes on in full view of anyone who goes down a busy street, across from the markets and beside large warehouses. Alfonso Vazquez expresses the concern of his union about this issue in this manner: "At the end of 1980 we expressed the need for a solidarity plan, a national policy to come to grips with this problem. Those who work like that have no Social Security, not even the minimum guarantees. This matter must be viewed within the

appropriate social, political and labor context. One solution to all these forms of employment would be some measures to share existing jobs, to increase unemployment coverage, and to encourage the public sector to put unemployment at the top of the list of national problems that deserve attention."

Manuel Chaves also mentioned unemployment insurance, discussing community employment with YA. That issue arouses labor conflicts every year in Spain. "It is necessary," he said, "to implement an unemployment insurance system that is progressive in time, as a function of cost, so that rural day laborers can have access to these resources and some complementary benefits. There should be a separate fund for those who are not heads of households. This should be accompanied by the enforcement of the law on farms that are obviously in need of repairs, which is now ignored. There should also be a subsidy for labor costs of intensive cultivation, and a rationalization of the use of funds, as well as a search for investment centers."

The government, meanwhile, said last July that it is studying the possibility of replacing unemployment benefits with a subsidy for the creation of jobs.

	1976	1977	1978	1979	1980	1981 (1st 6 mo.)
Requests for work	96	160	202	252	295	321
Unemployment recipients	225.9	329.3	472.9	594.9	738.8	648.8
Collective Bargaining Agreements Registered	19.3	25	20.5	14.1	15.3	13.3

8926

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FIVE-YEAR EXPLOSION IN COST OF GOVERNMENT CREATING ECONOMIC HAVOC

Madrid EL ALCAZAR in Spanish 5 Aug 82 p 18

[Article by Rafael Termes, president of the Spanish Private Banking Association, originally published in the second quarter 1982 issue of BOLETIN DEL CIRCULO DE EMPRESARIOS; passages enclosed in slantlines printed in boldface]

[Text] Between 1976 and 1981, the Spanish employed population shrank from 12.361 million to 10.848 million people, while the potential labor force (those older than 16) grew from 25.946 million to 26.839 million. Thus, the ratio of employed people to potentially employable people went from 47.6 percent to 40.4 percent.

These figures and percentages are, in my opinion, more representative than those related to the declared unemployed, because they are not influenced by external factors, such as the return of emigrants. These statistics show that, for reasons that are directly internal although not unrelated to the international crisis, the Spanish economy has not been able in the past 5 years to provide new job opportunities to the growing number of working-age people; the ratio of employed people to potentially employable people has declined. The figures also show that in absolute terms employment has declined since 1976. An astounding number of jobs, more than 1.5 million, have been lost.

If employment trends in Spain are compared with those of industrialized nations, it can be seen that since the beginning of the crisis, our economy is the only one that has experienced a drop in the number of jobs available, year after year without interruption. That drop has actually accelerated in the past 2 years. The second conclusion that can be drawn from this comparison is that in other countries there have been adjustments in the number of employed workers in one or two years, but such changes have never lasted more than 2 years in any case.

The difference between employment trends in Spain and those of other industrialized nations leads one to believe that we cannot simply blame the international economic crisis for Spain's situation. In my opinion, there is no other recourse but to admit that, in response to the negative effects of the energy crisis--even admitting that they have varied according to the degree of each country's external dependence--the treatment applied in our

case has been less effective than that of other industrialized countries. It could be useful to determine the causes of this problem in order to find--better late than never--a remedy to the intensive process of employment destruction that we have been experiencing.

Often the primary responsibility for this situation has been attributed to the disproportionate increase in real wages, which in Spain has been greater than in any other country that has tried to combat inflation and recession, both implicit in the nature of the peculiar crisis the Western world has undergone since 1974. Without disputing that assertion, which undoubtedly does explain most of the phenomenon, I believe that it is not fair to conclude that this is the only reason for the destruction of jobs, refusing to seek other causes and thereby absolving the other aspects of current economic policies.

It is true that at the beginning of the period in question, the Spanish productive sector had a considerable amount of redundant employment, and that the elimination or partial correction of this excess is another factor that can explain the large-scale destruction of jobs. In my view, however, the performance of the Spanish public sector from 1976 until the present has no small responsibility for the destruction of employment. I know that many will be shocked by my assertion--contained in the title of this article--because they claim that, on the contrary, the public sector's activity has had a stimulating effect on the economy, and that public spending, while it causes deficits, is beneficial in that it aims at compensating the depressed activity of the private sector. Most of the literature written during the last 50 years on fiscal policy and its effects on the economy began by focusing on the need to seek a solution to the great depression. After that, Keynesian thinking prevailed. It was also based on the periodic manipulation of the instruments of economic policy to stimulate demand, as a means to reactivate the economy and correct unemployment. More recently, the Keynesian line of thought has been questioned by the monetarist school, which is trying to show that, at least in the short term, what matters is not so much the amount of public spending or the size of the public sector deficit, but rather how it is financed, because there is no direct relationship between the public deficit and inflation. This economy-killing germ, according to the monetarists, depends on persistent variations in the growth rate of liquid assets, in relation to the monetary growth of the GDP. There is no reason why this relationship should be affected by the public deficit if it is correctly financed, and at the same time the financing available to the private sector is adjusted residually.

Now, none of the theories regarding public deficit and spending policy considered the possibility that public spending's share of the GDP would grow uninterrupted year after year, nor did anyone posit a public deficit whose financing required a steadily increasing share of national savings. And that is what actually happened in Spain between 1976 and 1982.

Spanish Public Sector Deficit and Spending

Since 1976 the public sector deficit--defined at the level of all Public Administrations, generally accepted as the most correct and economically significant definition--has been growing very rapidly and steadily.

From a deficit of some 24 billion pesetas in 1976, it went to 126 billion in 1977, and 226 billion in 1978; since then, the public sector deficit has doubled every 2 years, rising to 520 billion pesetas in 1980, and estimated at more than 1 trillion pesetas in 1982. In other words, the Spanish public sector deficit multiplied 10 times between 1976 and 1978, 20 times between 1976 and 1980, and 40 times between 1976 and the 1982 estimate. It may be argued, and it is probably true, that the budgets prior to 1976 were less transparent than present-day ones, and that in the past these figures concealed higher deficits by using less appropriate accounting methods. Admittedly, those procedures have been completely eliminated now, and that factor must be taken into consideration. However, the multiples I just listed are so impressive that any refining one might attempt would be irrelevant for the purposes of our analysis.

During the same period, between 1976 and 1982, the monetary GDP multiplied only 2.75 times. National savings (that is, domestic savings or gross capital formation less external savings), which represents resources available to meet the financing needs of both the public and private sectors, has multiplied only 2.4 times. Thus, the deficit of the Public Administrations has risen from 0.3 percent of the GDP in 1976 to more than 5 percent in 1982, and internal financing of the deficit as a proportion of national savings has grown from an insignificant or negative figure in 1976-77 to 20 percent of national savings in 1980, and 25 percent or more in 1982. In terms of sources of internal financing, the credit received by the public sector went from less than 1 percent of that supplied by the credit system in 1976, to probably not less than 30 percent of total financing by the credit system in 1982.

We must not forget in this context that the factor that caused the formidable increase in the deficit's percentage of the GDP and of national savings, is the growth of the share of total spending by the Public Administrations in the GDP, which jumped from 26 percent in 1976 to an estimated 35 percent in 1982. The nearly 10-point increase in the ratio of spending to the GDP, equivalent to double the increase of the deficit's share in the Gⁱ, clearly shows that the phenomenal growth of the public sector deficit is not due to a weakening of tax pressure or of the income of the public sector, whose share of the GDP has risen 5 percentage points during the same period. That is, the gestation of the deficit stems from a much more rapid growth rate in spending. Within this spending, the greatest expansion has been in current account spending, for investment spending maintained a constant or even declining share of the GDP between 1976 and 1980, and began to rise slightly only in 1981. Furthermore, if capital transfers, which for the most part represent supports to public enterprises in the red, are excluded from investment spending, and if we compute the GDP share of real investment, we see a sharp reduction. The uncontrolled growth of current spending was responsible for the fact that the current account savings of the Public Administrations, recorded at 3 percent of the GDP in 1976, had completely disappeared by 1980, and has become a negative figure in the past 2 years.

the figures and percentages I have cited here could be disputed in terms of their magnitude, in an attempt to reduce them so as to diminish the importance of the pernicious effects of public spending, the ensuing deficit and its financing. I will ignore the fact that even in their quantification, these figures agree substantially with the majority of known studies, including the one recently published by Professor Jose Barea, whose authority on this matter is undisputed. I will also overlook another proof of the veracity of the preceding figures, the fact that they coincide with the flow of financing for the deficit. What I am interested in is not so much the greater or lesser precision of the figures, as the orders of magnitude and the concepts that lie behind them.

Expulsion and Destruction of Employment

To prevent public deficits from translating into inflation, it is necessary, although probably not sufficient in the medium and long terms, for the deficit to be financed with a public debt under market conditions, or alternatively, for the Bank of Spain to undertake compensatory operations to counteract the effects of the financing of that deficit by having the Treasury resort to the Bank. Naturally, as the governor of the Bank of Spain acknowledged in a lecture he gave on 7 May 1982, "the financing of deficits under market conditions, in the final analysis, without giving in to monetary expansions, will lead to higher interest rates and a worsening of financing conditions in the private sector; and this can have a compensatory effect which would, to a greater or lesser extent, dampen the net stimulus the economy could receive from the public deficit," based on the doubtful assumption, I might add, that this stimulus will actually come about.

Now, it is well known that the element of private demand for financing that is most sensitive to increases in interest rates is investment financing, and this is especially true if the interest rate approaches or exceeds the investment's profitability. Therefore, there is no doubt that a public deficit such as the one we have been experiencing for several years has produced--as a consequence of a monetary policy that correctly compensated the expansive effects of the public deficit--a rise in interest rates, in the first place, and by that means, a decline in private sector investment. Given that public investment, as we have seen, has been very weak, we must reach the inevitable conclusion that the huge increase in the public sector deficit has led to a sharp drop in overall investment by both the public and private sectors. In this regard, a quick glance at the nation's accounts reveals that the decline in gross capital formation has been considerable, having fallen from more than 25 percent of the GDP in 1976 to an estimated 19 percent in 1982. In view of these statistics, we cannot fail to mention that the similarity of this decline and the increase in the public sector deficit's share of the GDP seems tremendously suggestive.

I think that today no one would deny that in a model of monetary policy dominated by the establishment of a ceiling on the growth of liquid assets, and in order to achieve a given performance by the external sector, any absorption of resources by the public sector means an equivalent expulsion from the private sector of its normal sources of financing. Furthermore,

not everyone agrees that this expulsion each and every time leads to an adverse situation for the private sector. But I will return to that later. Now I am interested in pointing out /three characteristics/ of the expulsion from the private sector, at the hands of the public sector, that has taken place in Spain between 1976 and 1982.

The /first/ characteristic is the intensity of the displacement. As I indicated above, the absorption of resources by the public sector, which in 1976 represented 1 percent of the financing of the national credit system, will bring it up to more than 30 percent in 1982.

The /second/ characteristic is that, in our economy, this displacement of the private sector's traditional sources of credit means that many businesses, primarily medium and small ones, have no access to any other source of financing; as everyone knows, in Spain only the large firms have access to the national capital market, and a very small number of private businesses, less than 1 percent of the total, can obtain external financing. It seems to me that this particular aspect of our structure, along with the very low rate of self-financing by businesses, means that the displacement by the public sector of the private sector's traditional sources of financing must have a severe impact on investment and activity.

The /third/ characteristic, a very important one in analyzing the impact of the public sector deficit on the destruction of jobs, is a result of the implicit effect of the financing of that deficit on the performance of the foreign sector. This aspect was also discussed by the governor of the Bank of Spain in the aforementioned lecture, when he mentioned that the financing of the public deficit, without abandoning a strict monetary policy, could also lead to "an appreciation of the exchange rate that would make exports difficult and encourage imports." It would take much more space than I have here to develop this idea completely; perhaps it is sufficient to note that the effect of the public sector deficit financing on the exchange rate, mentioned by the governor of the Bank of Spain, is very probably one of the factors lying behind the fact that, although economic activity has been stagnant for about 2 years, the current account deficit of the balance of payments has not only not declined, but according to Cashbook measurements, climbed sharply until 1981. This phenomenon, viewed in terms of the development of imports and exports, should apparently be interpreted as an exportation of jobs, with jobs in our country being destroyed.

Arguments in Favor of Public Sector's Role

In recent times, those who would "justify," rather than "explain," the behavior of the Spanish public sector, invoking the authority of James Tobin, remind us that as he demonstrated years ago, any deficit in one agent of the economy means a surplus in another. They conclude that the public sector deficit is the necessary consequence of the recession in the private sector. My answer to that is that, within Tobin's incontrovertible assertion--which should not be taken out of the context of the economy and circumstances in which he formulated it--just the opposite could well be argued. That is, the surplus in the private sector, in other words the recession, the idle capacity, the unemployment, the economic inactivity in the private sector (or at least the degree it has reached), and the inability to solve

all these problems, are the necessary consequence of the enormous deficit of the public sector.

It is clear that, assuming there is no net balance in the external sector, the deficit or surplus of the public sector must be equal to the surplus or deficit of the private sector. In more general terms, it is mathematically true that the balance of the external sector is equal to the sum of the balances, negative or positive, of the public and private sectors. But this equation only explains a posteriori what has happened; it does not explain why or how. To say, looking at the results, that the public sector /has had/ to suffer a deficit /because/ the private sector has had a surplus, is not serious. Everything we have just seen in relation to the expulsion of the private sector by the public sector through the reduction of available financing, through the raising of interest rates, through the impact on the exchange rate, all suggests that between 1976 and 1982 the equation could have been achieved at different levels than it was, with a lower surplus in the private sector, that is, with more activity, more private investment, less destruction of employment, and better results for the entire economy, if the deficit of the public sector, with its effects on the quantity and price of money and on the exchange rate, had been less during these years. In my view, in the last 6 years of crisis the performance of the public sector, with its deficit due primarily to the increase in consumption expenditures and not to investment, far from contributing to the alleviation of unemployment, has played a considerable role in the destruction of jobs. It is difficult or practically impossible to isolate quantitatively how much of the job destruction is due to the behavior of real wages, how much can be attributed to the development of the public sector deficit, and how much has been caused by other factors. What seems undeniable to me, however, is that the public sector deficit's share in the responsibility for that destructive process is in no way minor.

Public Deficit and Relaxing of Monetary Policy

I was saying earlier that while admittedly in the short term there is no reason why public deficits must translate into inflation, as long as they are adequately financed, it is not so certain that in the medium and long terms this condition is sufficient. Indeed, in the long run intense and persistent public deficits /are inevitably inflationary for two reasons./

The /first reason/ is that, assuming that to avoid financing the deficit with the expansion of the money supply, the government resorts to a sharp increase in the amount of the public debt owed to private sources, with rising interest rates, then the absorptive capacity of the per capita debt will become saturated. Hence, the public debt in public hands can only grow at the growth rate of the per capita national product. If public deficits, as is happening now, grow faster than the product, financing will have to be granted based on the expansion of the money supply, and inflation will climb.

The /second reason/ why intense and persistent public deficits end up being necessarily inflationary is that the maintenance of a correctly compensatory

monetary policy entails, as we have seen, such inconveniences for the private sector that the social and political pressures that this situation generates will be hard for monetary authorities to resist, and they will end up giving in and consenting to a monetary expansion greater than would be compatible with the fight against inflation.

Both reasons are part of the doctrine that is now defended by the prestigious Studies Service of the Bank of Spain, as can be seen in its most recent publications. However, if in regard to the first reason it could be argued that we are still far from reaching the limit of our ability to place the government's debt in the hands of the public, with respect to the second reason, the experience of 1982 reveals clearly that this phenomenon is indeed happening, and that monetary authorities have relaxed controls on the growth of liquid assets to avoid the raising of interest rates that would necessarily follow if the original plan were adhered to.

To be sure, current figures on liquid assets tell us that not only the initial objectives have been exceeded, but even the corrected objectives established in early 1982. Those in charge of monetary policy continue to maintain that their objective is quantity, but they add that it will not be at just any price--something we have not heard before. They also state that they will return to the path originally planned in a manner that will prevent interest rates from becoming excessively high. There is no way of knowing what "excessive" means, because the rates for private investment are undoubtedly that, although they could be considered low for balance of payments purposes.

Experience tells us, then, that the theory advanced by the Bank of Spain is unfortunately beginning to come true during this particular year of 1982. Despite their good intentions and their excellent technical background, monetary authorities cannot prevent the Spanish public deficit from translating into inflation. If we concede that inflation, in the medium and long terms, will ultimately destroy jobs, then this is one more element in the indictment of the Spanish public sector for the process of job destruction that we have suffered in recent years.

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POLL ON VOTERS' ATTITUDES BEFORE HESSE ELECTION

Hamburg DER SPIEGEL in German 23 Aug 82 pp 33-44

[Unattributed article: "CDU Victory, FDP Demise ?"]

[Text] "Which party would you vote for, if the Landtag election were held next Sunday?" was the question put to voters in all parts of Hesse in a week-long poll conducted by 185 Emnid Institute canvassers.

The "Sunday question" was included in a poll commissioned by DER SPIEGEL.

In most instances, next Sunday happened to be 8 August; the actual election is to be held on 26 September.

If the election turned out the way the poll did, it would be a result of historic consequences.

According to Emnid, the electorate would be divided as follows: CDU, 50 percent; SPD, 34 percent; Greens, 11 percent; FDP, 4 percent; others, one percent. The SPD's Holger Boerner would have to give way to the CDU's Alfred Dregger as head of government and the FDP would not make it into the Landtag.

The change of government would occur in a Land that has been ruled by SPD minister presidents for the past 35 years. If it did occur, the change would be more spectacular than ever before in any of the Laender.

The CDU would take over by storm, as it were. It would switch roles from opposition to absolute majority in one fell swoop. CDU Minister President Ernst Albrecht of Lower Saxony still needed the FDP's votes for 2 years after he took over in 1976 and CDU Berlin Mayor Richard von Weizsaecker still needs them today after assuming his post in 1981.

Losing 10 percent of its vote in Hesse, the SPD's losses would be even heavier than at the most recent Landtag elections in Berlin, Lower Saxony and Hamburg. It would come out far behind its worst previous showing of 42.6 percent in 1954.

As for the Greens, they would do better than they have in any of their five previous Landtag successes.

Once upon a time, in 1950, the FDP got 31.8 percent of the vote in Hesse. But this time, it would fail in what amounts to an unprecedented undertaking: It decided on 17 June in Darmstadt to change coalition partners and is trying to get the voters to approve that decision just 3 months after it was made.

Most of Hesse's four million voters think they already know how the election will come out. When Emnid asked for a prediction on the outcome, a mere 27 percent thought Boerner would hold on to his job whereas 66 percent said that Dregger will take over as minister president. And, a majority of those questioned said they did not think the FDP would make it into the Landtag.

There is a lot that speaks for the fact that things are not going to change much in the final stage of the campaign and that the election outcome will more or less correspond to the Emnid figures.

There has merely been a strengthening of a trend observable for some time in other polls as well. Those polls, however, were conducted on behalf of the political parties and the Hesse government for their private use and were not made public.

As early as in the fall of 1981, the Bremen Getas Institute came up with a 47 to 50 percent share of the vote for the CDU and no other polling organization ever came up with less than 46 percent. Just about a year ago, Getas gave the SPD between 35 and 37 percent and Ipos of Mannheim came up with 34.5 percent this May.

Only the FDP figures are farther apart—Contest Institute of Frankfurt giving the party "4 up to a maximum of 5 percent" and Ipos coming up with 8.1 percent.

All these polls had been completed prior to the FDP decision to switch partners. Subsequent to it, the Allensbach Institute did a poll for STERN and came up with 6 percent for the FDP.

But in view of the disparity between earlier FDP figures, it is hard to make out whether this amounts to an increase or a decrease. For another thing, the Allensbach findings are suspect for three reasons: Only 800 men and women were polled; the interviewers went around during school vacations and frequently did not find anyone at home, and thirdly, the FDP party congress had just recently taken place. The spirited debate among the population about the thorny coalition issue had just begun.

DER SPIEGEL and Emnid tried for more reliable data in conducting their poll. While the political parties had limited their interviews to as few as 650 persons—or in most cases to 1,000—the number of interviewees was set at 2,000 in this poll. The poll did not begin until after the school vacations in Hesse were over. 6 weeks had elapsed between the FDP party congress decision and the start of the poll so that there was no chance of initial dismay or enthusiasm being reflected in the responses.

Nonetheless, the data are not to be taken as a mathematically accurate prognosis of the election outcome. As a matter of fact, Emnid elections expert Klaus-Peter Schoeppner, who was in charge of the poll, says he is fairly certain that the Greens will not get 11 percent of the vote but about 2 percent less on election day, based on his experience. The fact is that the Greens are even less able to mobilize all of their potential voters on election day than the other political parties, as comparisons between Emnid pre-election surveys and actual election results in Berlin, Lower Saxony and Hamburg have shown most recently.

It is somewhat less likely but nonetheless possible that the other parties, too, will gain or lose one or two percent between now and the election. Experience has shown that the margin of error of the leading polling organizations is about that great and that that much movement might still take place during the remainder of the campaign.

Under those circumstances, the FDP might just barely clear the 5-percent hurdle; the CDU might just barely miss gaining an absolute majority and the SPD's share of the vote might not drop off as badly.

But all this would almost call for a reversal of the trend and for all the ideas the campaign strategists may come up with, there is no doubt but that a change of government will occur in Hesse. Even a standoff, such as in Hamburg, is unlikely from a mathematical point of view and even less so from a political point of view.

More than all the previous Hesse polls, this new survey was designed to look deeply into the political situation. Not a single important issue was left out—everything was included from the "West runway" to the promotion class. There was a half dozen questions devoted to the FDP coalition switch issue alone.

The wealth of the data will be of value beyond election day in terms of the opinion and attitude images it provides. For the CDU and the Greens, prospects are bright with some negative aspects to them; for the SPD and the FDP, they are dark with just a few bright spots.

D&R SPIEGEL will report on the results in this article and in another to follow.

The change in mood that has occurred in Red Hesse was evidenced by the responses to the question whether voters would cast their ballot for Boerner or for Dregger in a direct election.

Under normal circumstances, a chief of government maintains his advantage based on incumbency and popularity even if the opposition party has built up a majority. In Hesse, too, Boerner was still ahead of Dregger until a short time ago. The fact that there has already been a turnaround in the figures would indicate that the mood in Hesse has changed as it otherwise does only after the change of government has occurred.

Now this is by no means due to Dregger's popularity; in fact, Boerner still is the more popular of the two and even in a one-on-one match with Frankfurt CDU Lord Mayor Walter Wallmann, Dregger comes out second.

It simply appears that most Hessians are so sick and tired of SPD rule that none of the above can keep them from voting for a change and bringing in the new man.

Just how far the SPD loss of confidence has gone can be seen from a comparison of surveys conducted during the 1978 and 1982 election years. When asked which party would do most to "protect jobs," 42 percent of the voters named the SPD 4 years ago and only 27 percent did so today. The corresponding figures for the CDU in Hesse are 35 percent in 1978 and 42 percent today.

The fact is that the SPD voters have succumbed to a paralyzing air of resignation. They feel that their party comes out second best to the CDU when conditions as between "today and 2 years ago" are compared.

Another sign of resignation was the affirmative response of half the SPD voters to the statement: "The policies of a Dregger administration would not differ in significant ways from those of the Holger Boerner government." Anyone wishing to prevent a change or to bring it about by main force would have to think otherwise. Two-thirds of the CDU supporters, for instance, are convinced there would be a "great difference" between these two administrations.

By whatever standards the Enid tables are measured, the data obtained for the SPD are almost universally bleak.

Both in its election pamphlet entitled "How the SPD Will Win the Hesse Election" and in its campaign platform the SPD does not even bother to mention controversial issues such as the "West runway" or "Biblis C." There is a good reason for this. There is a substantial minority within the ranks which disagrees with the government on each of these issues.

Contrasts similar to those existing between the voters of the two major political parties also exist between supporters of the FDP and the Greens.

It almost seems odd to call the Greens the fourth political party. As concerns the number of their supporters and their inner strength, they have taken over from the FDP in Hesse as the third party. They can expect to get about twice as many votes as the FDP and as compared to FDP voters, their supporters are almost completely self-confident. While only 66 percent of the FDP voters believe that their party will be represented in the Landtag, 97 percent of the Green voters think their party will be.

Not even CDU voters are as much in agreement on major issues as Green supporters; their number has even increased in recent weeks. Until now, the Greens constituency was made up almost exclusively of younger voters; now it also includes older voters—particularly in their thirties.

But there are first indications now that this steady growth is altering the Greens constituency's makeup. Their supporters are almost as strong in their rejection of violence as a political tool as those of the other parties, for example. And there is a difference of opinion in the making among the Greens leadership in Hesse on the issue of not only collaborating with the SPD but of actually forming a coalition. In view of the fact that there will not be a majority this issue figures to be a campaign issue only and to be of no importance later on in the Landtag.

The FDP created the most serious problem for itself when it came out in favor of forming a coalition different from the existing one.

All polls had indicated that most FDP voters were against a switch. The most recent one in May, conducted by Ipos, found that 77.5 percent of Hesse's FDP voters were for a continuation of the coalition with the SPD and only 22.5 percent favored a coalition with the CDU. Ipos even concluded—a bit recklessly—that the FDP would lose only 4 percent of its voting strength, if it stayed with the SPD but 33 percent, if it changed partners.

But such findings—well-known to the FDP from its own surveys—did not deter the party from switching to the CDU, a switch which SPD Bundestag deputy Dieter Spoeri termed a "suicide out of fear of dying" and which leading Hesse FDP politicians had warned against until the end.

Since then, people in Hesse have felt that the party's chances have worsened and the party has lost more support than it gained by the move.

The change of partners resulted in opinion shifts that rarely occur as rapidly and violently as in this instance. These shifts indicate that the FDP runs the risk—in Hesse at least—of forfeiting its role as an alternative to the two major parties for some time to come.

While the FDP came in at + 0.8 points on the sympathy scale in the Ipos survey conducted in May, it had slipped to - 0.7 in the August poll by Emnid. Such a loss of 1.5 points is almost unprecedented. To compare: Emnid got the highest average figure for Chancellor Schmidt, namely + 2.0 points and the lowest of - 1.0 for the Greens.

The number of those Hesse voters who would "under no circumstances whatsoever" cast their ballot for the FDP has jumped from 9 percent to 21 percent. Conversely, only 38 percent—as opposed to 51 percent previously—name the FDP as their second choice.

By comparison, the Hesse SPD—at its lowest ebb in history—even gets 33 percent.

The predominantly negative view of the FDP is by no means limited to disgruntled SPD voters and Greens. CDU voters, too, are quite critical of the FDP. Apparently, it is not yet being accepted as a new partner.

The arguments offered by the FDP to explain the switch resulted in a general loss of credibility. Out of an Emnid list of reasons, the fewest respondents—a mere 5 percent—picked as the "decisive one" the one most frequently put forward by the FDP itself: "The FDP wants to take votes away from the CDU and thereby keep the CDU from obtaining an absolute majority."

Conversely, the vast majority of Hesse's voters (63 percent) think that the one argument the FDP likes least to hear is what made the party switch: "The FDP hopes thereby to have a better chance for representation in the Landtag and participation in the Land government."

The suspicion that the FDP was opportunistic to the point of paying any political price grew all the faster, since Hesse's voters in large measure think of the party as lacking in image and competence. This became clear when Emnid pollsters presented the interviewees with a list of political issues, asking which party was considered most likely to solve them.

The FDP response never topped 5 percent which meant that, generally speaking, only its own voters gave the party the nod. It appears to be of no consequence that the Hesse minister of the interior as well as the economics minister are both members of the FDP.

Even when the questions revolved around the immediate concerns of these ministries such as "internal security" or "protection of jobs," other parties were declared to be more competent to handle these issues.

In the fifties and sixties, the FDP was regularly mentioned in surveys when questions about "safeguarding the rights of the individual" were asked—which was in keeping both with the party's liberal tradition and its own activities. Today—at least in Hesse—the connection between the party and the issue is no longer made.

The FDP even has reason to worry about its own remaining supporters. In May, Ipsos registered the best percentage for the FDP when the question was asked how popular the individual parties were among their own constituents. In August, Emnid came up with higher figures for all the other parties.

Even now, a substantial group of FDP voters can see no real reason for changing over to the CDU. When the question was asked whether Dregger would do a better job than Boerner, 33 percent of the FDP voters said "better;" 50 percent said "just as good" or "just as bad" and 17 percent even said "worse." By comparison, 81 percent of the CDU voters think Dregger would do "better."

As far as political sentiments overall are concerned, there has been a swing to the right among FDP voters. Until just recently, opinion surveys found that two out of three FDP supporters in Hesse as practically everywhere else had left-liberal leanings whereas one-third favored right-liberal views. As a consequence, there was a majority in favor of a coalition with the SPD and a minority in favor of one with the CDU.

As of now, however, the two groups are of about equal strength. In a direct election for minister president, for example, equal numbers of FDP supporters would vote for Dregger and for Boerner. And on the rightwing/leftwing scale, the average FDP voter views himself as equidistant from the CDU and the SPD.

But the figures are not the same throughout. Shifting majorities indicate that a small number of supporters still is unhappy about their party's switch.

There are no indications, in Emnid election expert Schoeppner's view, that the Hesse FDP has gained any new "rightwing" voters since the coalition decision. He says the swing to the right is due to the fact that some "leftwing" adherents have turned their back on the party.

The FDP has always been less certain of its supporters than the major political parties and that still applies even to the shrunken-down FDP in Hesse today. 88 percent of the CDU voters and 82 percent of the SPD voters know how they will vote on 26 September; but only 70 percent of the FDP voters do. The remaining 30 percent say they might "still change their mind."

And this despite the fact that the Hesse FDP never needed votes more than it does now. But the numerous Emnid tables show no sign that there is any political group presently leaning to the FDP.

The most likely candidates would be those CDU and SPD voters who still name the FDP as their second choice. The hopes of FDP strategists center on them in fact; but these are vain hopes. The SPD camp has melted down to the basic constituency; only a major upheaval would make additional voters break with the party.

Hopes for CDU voters switching to the FDP in appreciable number are just as vain. They would have to be less than enthusiastic about Dregger or about their party gaining an absolute majority or both.

But there is no real reason for CDU voters to turn their back on "their" party with victory within their grasp and to opt for a small party fighting for its survival.

When asked whether they would be happy with an absolute majority in the Landtag, 81 percent of the CDU voters in the Ipsos poll in May said they had no reason to feel otherwise.

There may be a strong aversion to Dregger among those who will not vote for the CDU; but within his own party Dregger is just as popular as Boerner is among SPD voters.

If the FDP did manage to clear the 5-percent hurdle after all, it would not have clearly defined groups of voters to thank for it but lost souls from all camps.

But 30,000 to 50,000 lost souls is quite a lot. That, according to Emid, is what it would take—depending on the voter turnout—to gain that one percent of the vote in Hesse which the FDP now needs in order to survive.

It would be a quite a lot above all because they would all have to come together for no real reason.



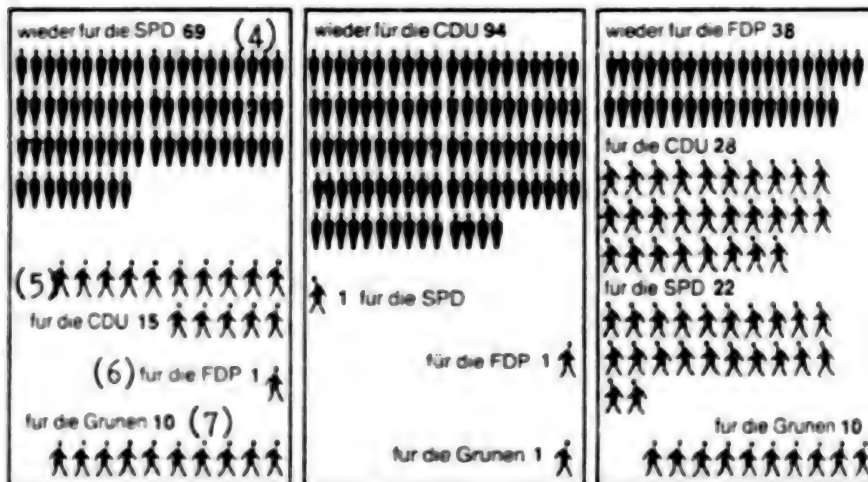
1. Promotion Class Does Not Create Controversy
2. SPD and FDP call for and the CDU rejects the introduction of a joint promotion class for all 5th and 6th-year students throughout Hesse. The percentage responses of each 100 interviewees were as follows:
3. All Hesse voters 4. CDU voters 5. SPD voters
6. FDP voters 7. Green voters
8. In favor of promotion class throughout Hesse 9. Against
10. Don't care
11. Mini-Commentary: Many CDU voters think differently about the promotion class issue than "their party." SPD and FDP may be more certain of the support of their voters on the issue. Quite a few citizens of Hesse "don't care" one way or the other. The issue does not seem to be as important to the voters as the parties think.

(1) Wie Hessens Wähler wandern

„Welche Partei haben Sie bei der letzten Landtagswahl in Hessen 1978 gewählt?“ Die Antworten entsprechen unter anderem deshalb nicht präzise dem damaligen Wahlergebnis, weil es nach durchgängiger Erfahrung der Demoskopie-Institute jeweils einem Teil

der Befragten schwerfällt, sich an die Wahlentscheidungen der letzten Jahre zuverlässig zu erinnern. Trotzdem vermittelt ein Vergleich der Parteipräferenzen 1978 und 1982 einen repräsentativen Eindruck von dem Wählerwechsel in Hessen. (2)

(3) Von je 100 Hessen, die vor vier Jahren wählten, würden sich heute entscheiden



KURZKOMMENTAR: Vom Wechsel vieler SPD-Wähler zu den Grünen ist allenthalben die Rede. Daß — nach eigenem Zeugnis — in den vier Jahren zwischen den Landtags-

wahlen sogar noch mehr SPD-Wähler zur CDU übergegangen sind, zeigen die Ernid-Zahlen. Anschaulich wird das Schicksal der FDP, die Partei des steten Wechsels zu sein

DER SPIEGEL

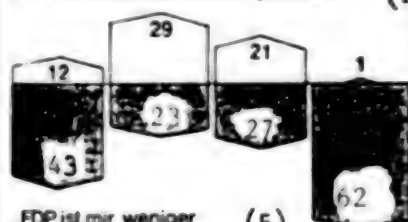
1. How Hesse's Voters Switch Parties
2. "Which party did you vote for in the last Hesse Landtag election in 1978?" The responses do not conform exactly to the then outcome because at least some of those interviewed—based on the experience of the polling organizations—cannot accurately remember. Nonetheless, a comparison of 1978 and 1982 party preferences does give an impression of how voters have switched.
3. SPD, CDU, FDP voters of 4 years ago would vote as follows today (in percent)
4. For the SPD (CDU, FDP) once again
5. For the CDU (SPD, CDU)
6. For the FDP (FDP, SPD)
7. For the Greens (Greens, Greens)
8. Mini-Commentary: There is a lot of talk about SPD voters having switched to the Greens. But Ernid's figures show that even more SPD voters have gone over to the CDU in the 4 years since the last Landtag election. The table clearly shows that it is the fate of the FDP to act as the party of constant change.

(1) **FDP nach dem Partnerwechsel: Wahlchancen vermindert**

Nach zwölf Jahren der Koalition mit der SPD entschied sich die FDP in Hessen für einen Partnerwechsel. Insgesamt hat die FDP durch ihren Beschluß mehr Sympathien verloren als gewonnen. Auf die entsprechende Frage erklärten von je 100 (2)

hessischen Wählern insgesamt FDP- (3) CDU- SPD- Wählern Wählern Wählern

„FDP ist mir sympathischer geworden“ (4)



„FDP ist mir weniger sympathisch geworden“ (5)

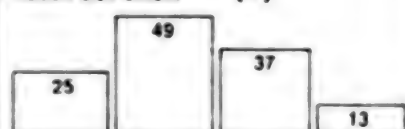
„Meine Einstellung zur FDP hat sich nicht verändert“ (6)



Nach vorherrschender Meinung haben sich die Wahlchancen der FDP durch ihren Partnerwechsel vermindert. Als gefragt wurde, wie sich die Entscheidung auswirke, erklärten von je 100 (7)

hessischen Wählern insgesamt FDP- (3) CDU- SPD- Wählern Wählern Wählern

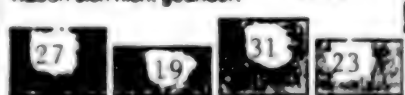
„Wahlchancen der FDP haben sich erhöht“ (8)



„Wahlchancen der FDP haben sich vermindert“ (9)



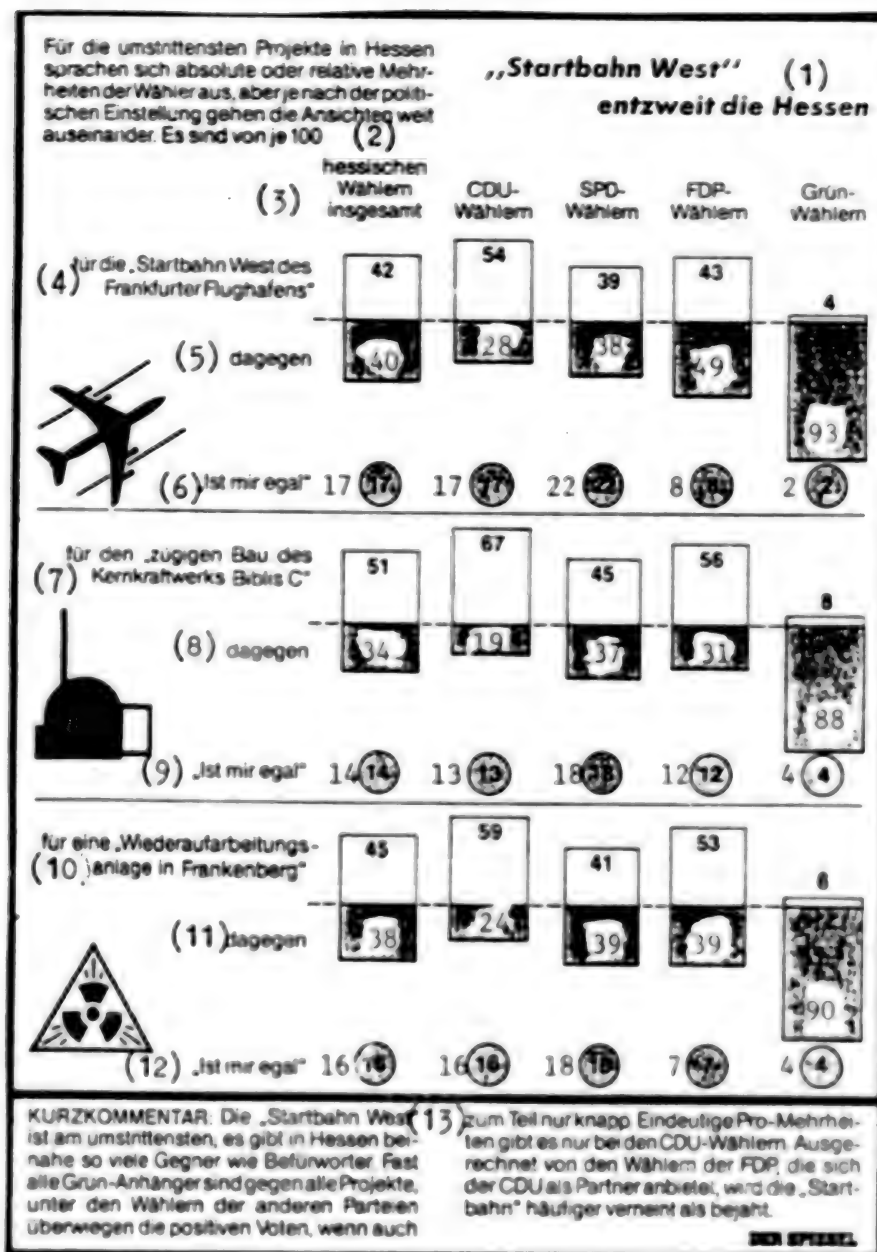
„Wahlchancen der FDP haben sich nicht geändert“ (10)



KURZKOMMENTAR: Die negativen Ansichten der enttäuschten SPD-Wähler über den FDP-Entschluß zum Partnerwechsel können kaum überraschen. Aber auch die CDU-

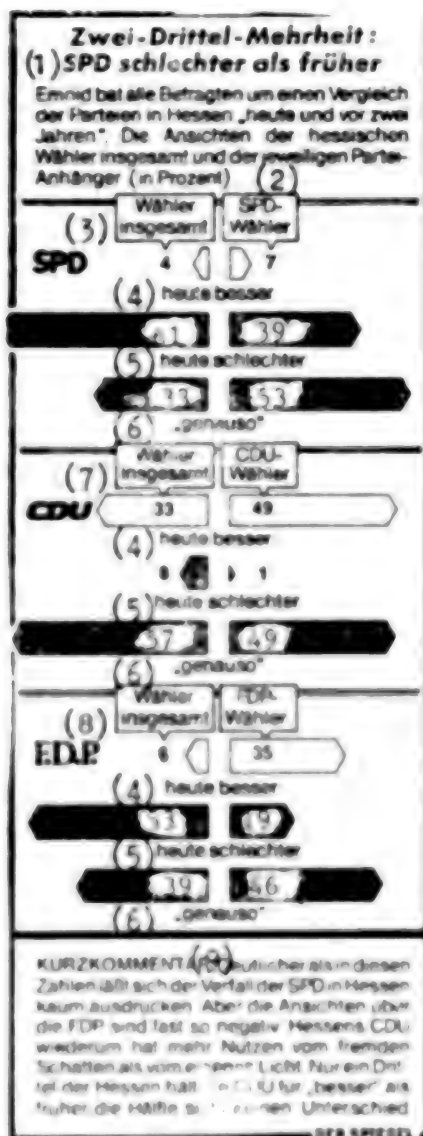
(11) Wähler empfinden weniger Sympathien für die FDP als zuvor und urteilen über deren Wahlchancen zurückhaltend. Der Optimismus der FDP-Wähler ist gedämpft.

1. FDP Following Coalition Switch: Election Chances Are Worse
2. After 12 years of coalition with the SPD, the FDP in Hesse decided to switch partners. All told, the FDP lost more support thereby than it gained. The pertinent question was answered as follows (in percent) by:
3. Hesse voters overall; FDP voters; CDU voters; SPD voters
4. "I like the FDP better since"
5. "I like the FDP less since"
6. "My view of the FDP is unchanged"
7. The view predominates that the FDP's election chances have worsened as a result of its decision to switch partners. The response, in percent, as to the effect of that decision was as follows:
8. "FDP election chances have improved"
9. "FDP election chances have worsened"
10. "FDP election chances are unchanged"
11. Mini-Commentary: The negative views of disappointed SPD voters regarding the FDP switch are not surprising. But the CDU voters, too, are less favorably inclined toward the FDP and have a guarded view of their election chances. FDP voter optimism is muted.

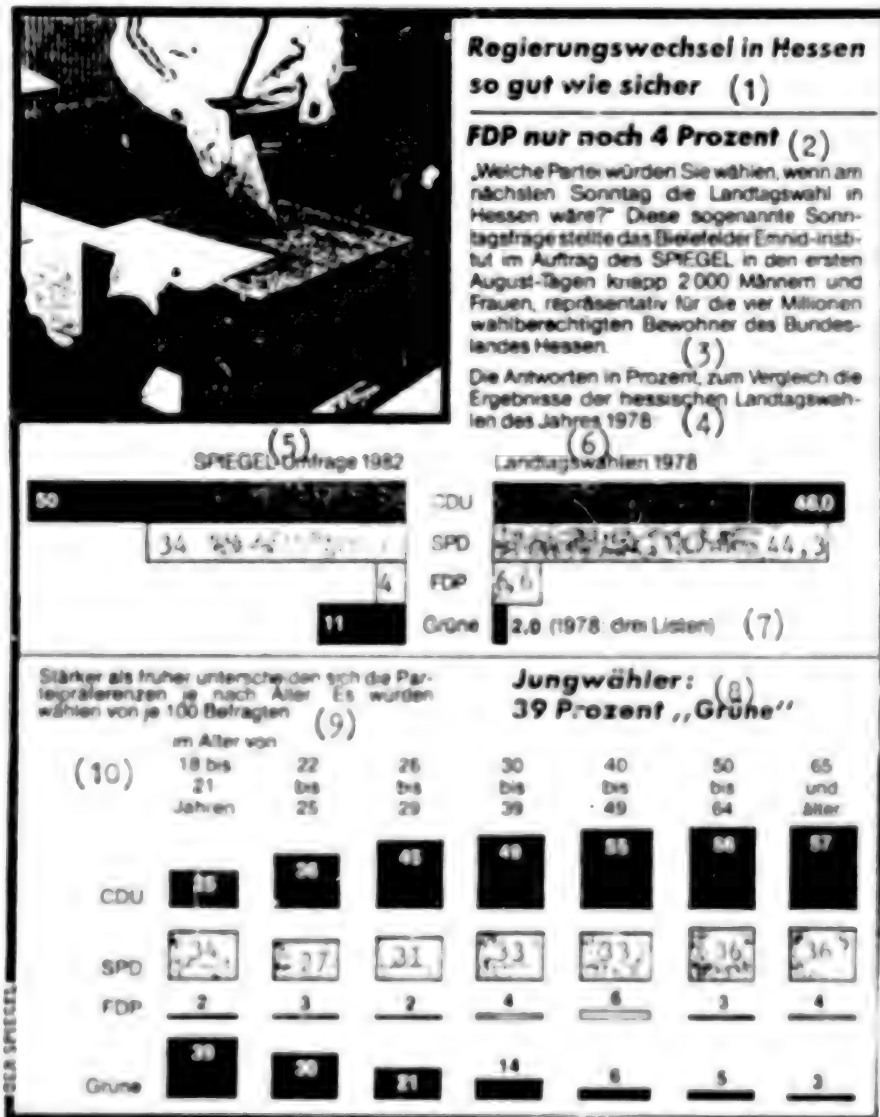


1. Hessians Divided on "West Runway"
2. There were absolute or relative voter majorities for the most controversial projects in Hesse; but opinions diverged widely according to political affiliation. The percentage responses were:
3. Hesse voters overall; CDU voters; SPD voters, FDP voters; Green voters
4. "In favor of Frankfurt airport West runway"
5. "Against"
6. "Don't care"
7. "In favor of speedy construction of Biblis C nuclear plant"
8. "Against"
9. "Don't care"

10. "In favor of Frankenberg reprocessing plant"
11. "Against"
12. "Don't care"
13. Mini-Commentary: The "West runway" is the most controversial project of all. There are as many people in favor of it in Hesse as against it. Almost all Green supporters are against all of the projects. The yeas predominate among the voters of the other parties, even if only by a scant majority in some cases. Clear majorities in favor only exist among CDU voters. Supporters of the FDP—which has said it wants to be partners with the CDU—come out in greater numbers against the "runway" than in favor of it.



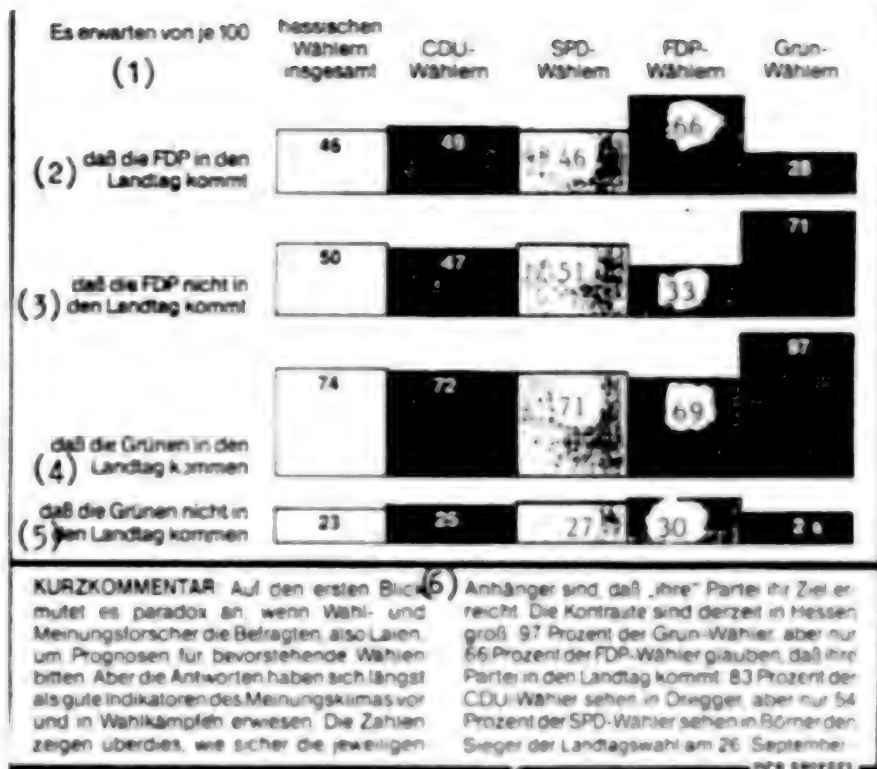
1. Two-Thirds Majority: SPD Worse Than Before
2. Ennid asked all those interviewed to compare the political parties in Hesse "2 years ago and today." Here are their views in percent:
3. Voters overall; SPD voters
4. Better today
5. Worse today
6. Unchanged
7. Voters overall; CDU voters
8. Voters overall; FDP voters
9. Mini-Commentary: The decay of the SPD in Hesse cannot be expressed any more clearly than in these figures; but opinion about the FDP is almost equally negative. The CDU, for its part, looks better because of the bad state the others are in. Only one-third of all Hessians think the CDU has "improved;" one-half cannot see any difference.



1. Change of Government in Hesse As Good As Assured
2. FDP Only 4 Percent Now
3. "Which party would you vote for, if the Landtag election were held next Sunday?" Emnid Institute of Bielefeld put this question on behalf of D.R. SPIEGEL to just under 2,000 men and women—a representative sample of the 4-million Hesse electorate—in early August.
4. The answers in percent—as compared to the outcome of the 1978 Hesse Landtag election—were as follows:
5. SPIEGEL poll 1982
6. 1978 Landtag election
7. Three slates in 1978
8. Young Voters: 38 Percent "Greens"
9. More than heretofore, party preferences differ according to age.
10. The percentage figures for the various age groups follow:



1. Who Will Win? What Hesse's Voters Expect on Election Day
2. Emnid asked those interviewed "who will be minister president of Hesse after the Landtag election?" and whether the two smaller parties will "make it into the Landtag." Most Hessians think Alfred Dregger (CDU) will win the upcoming election. The Greens, they think, are more likely to clear the 5-percent hurdle than the FDP. But the predictions tend to differ according to individual political preferences.
3. Minister president prediction (in percent) by Hesse voters overall; CDU voters; SPD voters; FDP voters; Green voters
4. Dregger
5. Boerner
6. Of those expecting a Dregger victory, 52 percent thought there would be an absolute majority for the CDU and 44 percent thought there would be a CDU/FDP majority.



1. Percentages of Hesse voters overall; CDU voters; SPD voters; FDP voters; Green voters
2. FDP will be represented in Landtag
3. FDP will not be represented in Landtag
4. Greens will be represented in Landtag
5. Greens will not be represented in Landtag
6. Mini-Commentary: At first glance, it seems paradoxical for opinion researchers to be asking laymen to make predictions about the upcoming election. But the responses have long since proven to be fair indicators of the opinion climate. The figures also show just how certain the voters are of "their" party being able to attain its goal. At this time, the contrasts in Hesse are striking. 97 percent of the Green voters but only 66 percent of the FDP voters believe that their party will make it into the Landtag. 83 percent of the CDU voters think Dregger will win the 26 September election; but only 54 percent of the SPD voters think that their man Bömer will.

(1) Börner und Dregger: „Kein Vorbild für die Jugend“

Der Einstellung zu den beiden Spitzenkandidaten Holger Börner (SPD) und Alfred Dregger (CDU) gäßen mehrere Fragen des Bonifazius Erndt-Instituts (3)

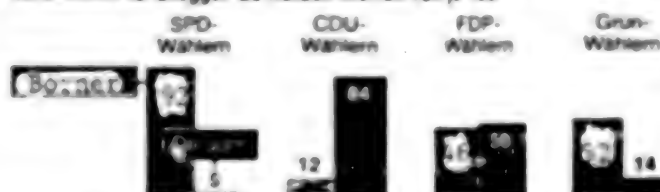
(2) Die Volksmeinung über die beiden Spitzenkandidaten

„Angenommen, der Ministerpräsident würde in Hessen direkt gewählt,“ so würden sich entscheiden (in Prozent) (4)

(5) zum Vergleich Juli 1978 (infas)



(6) SPD-Wähler wurden sich mit größerer Mehrheit für Börner entscheiden als CDU-Wähler für Dregger. Es wurden wählen von je 100

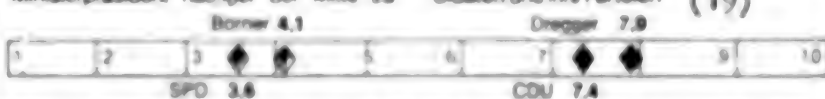


Als eine Liste mit elf positiven Eigenschaften vorgelegt wurde, erklärten von je 100 Befragten (7)



Als der „politische Standpunkt“ Börnereu id Dreggers auf einer Skala mit Werten von 1 („sehr weit links“) bis 10 („sehr weit rechts“) angezeigt werden sollte, wurde der SPD-Ministerpräsident häufiger der Mitte zu-

geordnet als der CDU-Gegenkandidat Börner wie Dregger stehen nach Wahlernung rechts von ihren Parteien in Hessen. Die Durchschnittswerte für die Spitzenkandidaten und ihre Parteien (19)



KURZKOMMENTAR Doppelt so oft wie sein Gegner wird Dregger jener „große Rückhalt in seiner Partei“ zugesprochen, an dem es Börner nach Volksmeinung fehlt. Geht es um menschliche Eigenschaften, haben die Hessen von Börner ein besseres Bild als von Dregger. Er gilt als offener, gesprächsfreudiger, stärker für den „kleinen

Mann“ engagiert. Aber Dregger wird für besser gehalten, wenn es um politische Kriterien geht. Durchsetzungskraft, Vorstellungen für die Zukunft, „gute Ideen“, Intelligenz zu messen fällt sogar Testpsychologen schwer und die repräsentative Volksmeinung kann nur Eindrücke wiedergeben. In Hessen wirkt Dregger offenbar „intelligenter“ als Börner.

1. Boerner and Dregger: "No Shining Examples for Young People"
2. Popular Opinion on the Two Top Candidates
3. Several of the 200 questions were devoted to attitudes toward the two frontrunners, Holger Boerner (SPD) and Alfred Dregger (CDU)
4. "If there were a direct election for minister president in Hesse," the percentages for Boerner, for Dregger would be:
5. July 1978 Infas poll responses
6. More SPD voters would vote for Boerner than CDU voters for Dregger. The percentages would be:
7. When the respondents were given a list containing 11 positive character traits, these were their responses (in percent):
8. "Can get things done"
9. "Is highly intelligent"
10. "Has convincing ideas about the future"
11. "Has a warm personality"
12. "Is familiar with problems facing Hesse"
13. "Is a shining example for young people"
14. "Has lots of good ideas"
15. "Fights for the 'little guy'"
16. "Favors dialogue with the public"
17. "Openly states what he wants"
18. "Can count on the support of his party"
19. When asked to indicate the "political viewpoint" of Boerner and Dregger on a scale from 1 ("very far to the left") to 10 ("very far to the right") the respondents placed Boerner in the center more often than Dregger. Both candidates, in the voters' view, stand to the right of their own parties in Hesse. These were the average values assigned to the candidates and their parties.
20. Mini-Commentary: The public appears to think that Dregger has twice "the support in his own party" that Boerner has. Regarding character traits, Boerner comes off better than Dregger in the public mind. He is thought to be more open, easier to talk to, more committed to the "little guy." But Dregger gets better marks in the political sphere. He is thought to have drive, ideas for the future, "good ideas." Even clinical psychologists have a hard time testing for intelligence; all public opinion can do is give impressions. In Hesse, Dregger seems "more intelligent" than Boerner.

5475

CSO: 3103/651

CP CHAIRMAN KAJANOJA SAYS PARTY NOT READY TO TAKE POWER

Helsinki HELSINGIN SANOMAT in Finnish : Aug 82 p 17

[Article by Janne Virkkunen: "Communists Well-Read: Inexperienced Finnish CP Chairman Jouko Kajanoja Speaks of Revolution in Prosperous Finland"]

[Text] When at the conclusion of the chaotic Finnish Communist Party (SKP) special congress in May Jouko Kajanoja said that the party was in better shape than it had been in in a long time, it was very hard to believe him.

When Labor Minister Jouko Kajanoja declared that the country needed a revolution a couple of weeks ago, the Finnish middle-class citizen scarcely even trembled, much less was he frightened by it.

When on Friday Jouko Kajanoja announced that he had created 100,000 new jobs, it was once again very hard to believe him.

Despite these pronouncements — or precisely because of them — our chief impression of Kajanoja is an undisguised weakness for publicity. He engages in politics with all of the self-assurance provided by a career in politics that has lasted for several years. He seems to believe in what is said and proposed. But whether others believe him is another matter.

Jouko Kajanoja, 39, has a B.A. in political science and is an economist. This foster child brought up in a middle-class home entered the SKP Politburo over a year ago and as early as last May he was elected chairman of the entire party.

After Aarne Saarinen, that sturdy worker leader, the new chairman impressed people as a frail stripling before whom lie the countless reefs and ambushes of politics.

Only getting clear of them will demonstrate whether Kajanoja has the stuff in him to heal the split SKP or whether he will remain — as many believe — in the shadow of experienced first secretary Arvo Aalto.

Mole of Revolution

A couple of weeks ago in Oulu during Finland's summer doldrums, Kajanoja slapped his listeners into wakefulness: "It is up to us to raise that good fellow, that old mole who digs his passageways leading to the future beneath the surface of the society, to a place of honor and respect in our policy, as Marx did... the country needs a revolution and the SKP a more revolutionary attitude," Kajanoja declared.

The nonsocialist press jeered and reminded its readers that revolution is always bloody. People demanded the expulsion of this "traitor to the fatherland" from the government in the letters-to-the-editor sections of these newspapers. In their own newspapers, [the Communists] too were at least troubled over the language of the new leader of the party.

In the minister of labor's dreary office on Kalevankatu in Helsinki, Kajanoja picked up Marx's works from atop Lenin's book, thumbed through it and said: "The mole is traceable to Marx in the 1850's. By the mole Marx meant the growth of bourgeois democracy because it creates the requirements for the shaping of a new kind of power structure. Moreover, Marx borrowed his mole from Shakespeare's 'Hamlet'."

Kajanoja feels that he has been misinterpreted. "My purpose was to stress an everyday revolutionary attitude, the creation of a new power. Signs of this are already to be found, the village committees, for example."

In the opinion of the SKP chairman, the revolutionary attitude of today is people's self-management: Let us oppose the elimination of schools and village trading, let us begin to talk about company problems on the job, as at Valmetti and Televa, let us establish a peace movement.

Budget Secrets into the Waste Basket

Kajanoja commended civil disobedience in Lappajarvi. He does not believe that the Environment Ministry would even have been created if citizens had not themselves acted and shown interest in environmental affairs.

"The question naturally arises as to why the same sort of thing doesn't happen when lots of people lose their jobs. One thing that has a bearing on this is budget secrecy. This is a way of handling things so that people do not get a chance to discuss matters."

In confirmation of his words, the minister pulled a piece of paper out of his briefcase, from which he read the "damn good" quotation from Matias Calonius, uttered in 1771:

"If anyone doubts his own ability or is aware that he is deliberately promoting inequity, he is afraid that his ineptitude or injustice may be revealed. But he is really the only one who has reason to fear the light of day and in whose interest it is to be able to hide himself from the glances of enlightened citizens."

In Kajanoja's opinion, the construction of the Helsinki subway belongs to quite the same order of things. Kajanoja's idealism is revealed when he says: "The fact that the representatives of those parties that promote social progress (parties of the left) also more or less go along with this is deplorable."

SKP Does Not Want to Acquire Power

The SKP chairman's voice fell silent and his hand stroked his well-trimmed sideburns. He entirely lacks the magnetism of an agitator. From his mouth came a well-read speech that was more in keeping with a proseminar lecture than a party leader's deliberations.

"The parties of the Left have identified themselves too closely with the mechanisms of power. Power is not the objective. On the contrary, we are trying to shape people's own activities.... Not so that some party or organization may take over the job.... A citizens' society is a social revolution, which is needed in addition to a political revolution."

Kajanoja waved aside the claim that the SKP is striving for power. According to Kajanoja, its basic goal is the handling of affairs, not acquiring power.

"The SKP has to make itself unnecessary. When we reach the point where the society has power structures that really permit people to decide on matters, the party will have become unnecessary. It will have achieved what it was founded to achieve. Then we will have a real citizens' society."

"Naturally, it makes no sense to go ahead and describe in detail what a citizens' society would be like. It will be the result of a lengthy evolution and no one has a clear understanding of what that process will be like."

Kajanoja was unwilling to go into the question as to whether the socialist countries are already well on the way to this goal. "They themselves say that they are building communism."

Kajanoja expects domestic Communists to entertain friendly relations with these countries, the so-called builders of realistic socialism. He wants the Communists to defend the achievements of the socialist countries as a counterweight to the criticism engaged in by various "communications centers."

Kajanoja's SKP is going through as profound a crisis as it ever has in its stormy history. The Stalinists withdrew from the party organs in May as a protest against the nominations of candidates at the special congress.

Support for the SKP is declining and nothing seems to be changing this trend. In 25 years time support for the Communists has dropped from almost 24 percent to 16 percent.

The party's influence in the trade union movement has plummeted. This is largely due to the party's internal squabbles, which have rendered supporters passive.

Kajanoja is, however, optimistic: "The main tendency is still toward unification. This is a fact, even though no big breakthrough has occurred. It has occurred at the basic level — at places of work as well as in the youth and student movements.

"The events that have taken place since the congress are setbacks inevitably associated with the advancement of unity. They are bad for us and contain risk factors."

Kajanoja's critics in other parties as well as his own feel that he is naive and gullible. "If you're going to try to change something, you've got to believe in what you're doing," Kajanoja said. He hopes that the Stalinists will participate in the next meeting of the Central Committee on 21 August.

The SKP dispute worsened during the din of the special congress which was set off by the CPSU [Communist Party of the Soviet Union] letter to the SKP.

In that letter the CPSU ticked off a list of heresies that had in its opinion cropped up in the SKP. Former SKP chairman Aarne Saarinen hauled it over the coals in the CPSU manner, which has never been heard from the lips of a Communist leader in Finland. PRAVDA did not publish a line about Kajanoja's election.

Kajanoja paused for a moment to think about his party and its relations with the CPSU. According to Kajanoja, the CPSU is with concern following events to see whether the SKP will split up or not and hopes to improve the situation.

Kajanoja settled the issue of SKP-CPSU relations by noting that the parties have a 2-year cooperation agreement on the basis of which relations are better than with the SDP [Social Democratic Party] and the KEPU [Center Party]. "This is only natural because a communist party is involved," the chairman said.

Alternative Movements

Kajanoja feels that alienation is growing in the society. As a sign of this, the alternative movements are acquiring new strength; nevertheless, they will not become politically influential. He regards the peace movement as a good example of people's self-management.

In Kajanoja's judgment, new kinds of solutions that display the strength of the socialist movement should be propagated. Kajanoja feels that its strength must increase so that we can put a stop to the rise of unemployment.

According to the Communist leader, people have become removed from the business of making decisions regarding the society; people feel insecure; they no longer think optimistically that they will live better tomorrow than today.

He proposes that the power be shifted from central points downward, closer to people. "We ought to give people the right to participate on issues having to do with their own residential areas and places of work. Then people would

be creating their own environment and that is the basic reason why they would in time get on their own two feet," Kajanoja said.

Sharp Criticism of the Worker Movement

As do other majority-faction Communists, Kajanoja calls himself a supporter of a Left-center government coalition. But he stresses the fact that bourgeois publicity has to no avail identified the Communists with the other government.

The SKP chairman rejected the Conservative Party as a possible coalition partner. He had no very definite idea of how long the current coalition would last. In his opinion, the next parliamentary elections will be decisive.

Unlike his predecessor, Kajanoja was very critical of worker movement activities. To be sure, he acknowledged worker movement achievements over the past few decades: elementary schools, public health programs, the extension of democracy, etc.

"Critically speaking, the worker movement has reduced itself to dealing only with those issues raised by present-day technocrats. The worker movement itself no longer poses question. The ruling elite does that.

"The worker movement has left its own foundation in the background, its own social value goals, solidarity and equality. It has to set itself in motion from its own turf and on the basis of its own world of values.

"Then discussion will take on a different shape and the worker movement will remove itself from the machinery of government. Then the worker movement will detach itself from that and go back to the models for action it had at the start of the century."

Kajanoja has already seen signs of the new trend. In his opinion, the worker movement should always oppose the bourgeois state, in the government too.

"Participation should not, however, be such that we become blind and turn into cogs of the machinery. The Social Democrats have to a great extent become blind and there are signs of this among the Communists too," said Kajanoja, the minister and chairman of the SKP.

11,466

CSO: 3107/160

BOOK CLAIMS STALINIST CHIEF WARNED CPSU AGAINST KOIVISTO

Helsinki UUSI SUOMI in Finnish 29 Jul 82 p 3

[Article: "In Moscow in 1981 Urho Jokinen Told CPSU Representatives: 'The Paasikivi-Kekkonen Line Will Not Be Continued If Koivisto Is Elected'"]

[Text] It is impossible for Mauno Koivisto to continue the Paasikivi-Kekkonen foreign policy line. This is how Urho Jokinen, the chief editor of the SKP [Finnish Communist Party] minority-faction organ TIEDONANTAJA, replied to a question raised by CPSU Politburo member Boris Ponomarev in the spring of 1981. On the contrary, SKP first secretary Arvo Aalto on the same occasion said: "It certainly is possible."

This conversation is related in Antti Blomfield and Pekka Vuoristo's book, "When the Power Changed Hands," which will be on sale in September.

The discussion over the possibility that Koivisto might continue the Paasikivi-Kekkonen line was engaged in in the spring of 1981 when the SKP delegation was in Moscow as a guest of the CPSU. The main topic of discussion was the SKP's internal situation just before the then approaching 19th SKP Congress.

Also discussed was Finland's presidential issue, which demonstrates that the CPSU was already reflecting on a change of presidents at that point, about 6 months before President Urho Kekkonen's illness. The great popularity Koivisto enjoyed, as shown by the opinion polls, was of interest to the CPSU representatives. Ponomarev asked whether it was possible that Koivisto might continue the Paasikivi-Kekkonen foreign policy line.

"SKP first secretary Arvo Aalto answered first: 'It certainly is possible.' Jokinen fired off right after him: 'It is impossible.' The other Finns did not get involved in the conversation, which ended there."

As the authors see it, Ponomarev's question shows that Koivisto was unknown in the Soviet Union. During his term as prime minister in the 1960's, he had had personal contact with Soviet leaders, but those with whom he had been in contact were no longer influential: Chairman Nikolai Podgornyi had been superseded in 1977 and Premier Aleksei Kosygin died in 1980. To be sure, Koivisto had visited Moscow, but his contacts there were with the directors of the Soviet state bank, Gosbank. "This being the case, Soviet leaders had

no idea of Koivisto's foreign policy thinking." Of the presidential candidates under consideration, only Ahti Karjalainen and Kalevi Sorsa were well-known in the Soviet Union. Blafield and Vuoristo write that, when they received the news of Urho Kekkonen's weakening condition, they were really in a hurry to find out what kind of a man Koivisto was.

11,466

CSC: 3107/160

PROBLEMS IN POLICIES TOWARD ASIA REVIEWED

Paris LE MONDE in French 18 Jun 82 p 7

[Article by Alain Jacob: "Hesitations and Mysteries in France's Far-East Policy"]

[Text] Mr Cheysson, the French minister of external relations, is planning to go to China during the summer, probably before the end of August. He could be preceded in Peking by Mr Jacques Huntzinger, the assistant national secretary of the Socialist Party in charge of international relations. During a press conference held on Tuesday June 15 at the Socialist Party headquarters, Mr Huntzinger emphasized the "change" for the overall French policy toward Asia which marked Mr Mitterrand's trip to Japan. He added that it would be appropriate to "complement the French diplomacy in Asia with the opening of a new direction in French-Chinese relations."

In a recent interview with the Hong-Kong weekly FAR EASTERN ECONOMIC REVIEW Mr Jobert, minister of state for foreign trade, expressed some doubts about the usefulness of a visit to China by a French minister, considering the way his own visit to Peking last winter turned out.

In Asia, as well as in other areas of the world, the government's diplomacy experiences difficulties in defining its direction, making choices, and selecting a long-term strategy. Mr Cheysson's planned trip to China is intended to correct some of the errors which have marked the first year of Mr Mitterrand's tenure, without removing all the uncertainties prevailing over the French policy in the Asia-Pacific area.

In China, first, relations which had begun under excellent auspices after the visit to Peking of the future socialist President in February 1981 have progressively deteriorated. The Li Shuang affair: the young fiancée of a French diplomat whom the authorities in Peking decided to intern in November while Mr Jobert was in China, probably played a revealing rather than a precipitating role.

The dialogue began poorly. Was it even possible or desirable? At first, at least, Mr Cheysson seems not to have been convinced and may even have expressed his skepticism on this subject unambiguously. As a matter of fact, when France took the initiative to re-open its Vientiane embassy in October 1981, and when the Vietnamese Minister of Foreign Affairs Mr Nguyen Co Tach was received in Paris in April, 1982, French diplomacy did not deem it necessary to first inform the Chinese of these different steps. Peking showed its surprise by observing publicly that "such actions are difficult to understand." Even if explanations had been offered, their impact would not have been reduced; rather, on the contrary.

This is not the only instance where misunderstandings have arisen. It is true that Peking does not always clearly make a distinction, as Mr Huntzinger pointed out last Tuesday in Paris, between relations between governments, and relations between parties. But the list of missed opportunities is unfortunately lengthy. Mr Mermaz, president of the National Assembly, was expected in China in January. The considerable amount of parliamentary work to be done forced him to delay his trip to early summer, and the end of August is now mentioned. Also, after a delegation from the Chinese communist party which included high-ranking individuals attended the Congress of the Socialist Party in Valence in October 1981, a return invitation was extended to Peking to Mr Huntzinger. Here again, unfortunate circumstances prevented the trip.

Less fortuitous, and certainly even less well understood in China, was the kind of greeting recently extended in Paris to a delegation from Taiwan which was said to have been received by Mr Andre Laignel, the present treasurer of the Socialist Party and deputy from the Indre province. The fairly far-fetched hope, of selling nuclear plants to the Taipeh regime in the face of American competition seems to have been the origin of this surprising episode whose political implications have been assessed too late.

More fundamentally, the question of the kind of relationship France intends to maintain with Peking can be raised on the subject of the sale of French military equipment to China. After hesitating for several years, Mr Giscard d'Estaing finally looked forward to the sale of antitank missiles to China. Having initially decided to buy, the Chinese then dropped their intention to purchase something which, according to them, was beyond their financial means. Because of the recent increase in their military budget, they have now changed their minds, but they are faced with a French refusal. The affair is directly under the control of Mr Mitterrand who is sticking to the formula used in Peking in February of 1981: "Our foreign policy does not have to choose between Russia and China." At a time when Paris is displaying a firm attitude toward Moscow, any marked concession to Peking--such as the sale of missiles--would be a break with the principle of "parallelism" that the Elysee Palace has adopted in its relations with the two capitals. It is just too bad if the Chinese are thus indirectly punished for Soviet mistakes. It is only within the context of a "parallel" evolution of the relations with the USSR that this sort of question can be reconsidered.

Apart from the French-Chinese relations, French diplomacy in the Far-East still suffers from a strange lack of coordination. For instance, it does not seem that Paris thought it appropriate to involve its European partners in its new

Vietnam policy. Mr Nguyen Co Tach was able to appreciate this when, after his discussions in France, he was greeted much more coolly by other EEC members he visited. Since the Vietnamese Prime Minister met with an identical experience during his visit to Europe in the spring of 1977, would it not have been better to explore more deeply the possibilities of a more community-oriented approach to relations toward Hanoi?

Recognition of Pyongyang?

There remains the Korean mystery. For quite some time now, several of the better-informed sources have been announcing that France is preparing to establish diplomatic relations with North Korea. This is a business which is important to Mr Mitterrand personally since, according to the same sources, he made commitments on this point, before being elected, during his discussions in Pyongyang with Marshal Kim Il Sung in February of 1981. On the other hand, some witnesses to the discussion maintain that no such agreement was ever made, and that the North Korean President did not even request it at the time. Nevertheless Mr Philippe Machefer, special envoy of the President and a socialist senator from Les Yvelines, himself firmly convinced of the requirement for recognizing North Korea, visited both North and South Korea last December and January. His report is at the Elysee Palace, and that is where things will be decided. But nothing indicates that the operation, which seems to be extremely irritating to Seoul, was planned to be accompanied by any quid pro quo except perhaps on the economic level where there is some yet unverified hope of encouraging French exports. There lies an entire philosophy which has recently been summarized by Mr Cheysson to the French Ambassadors to this part of the world by saying that the French presence in the Northern Pacific area could only be economic.

Is this really both accurate and realistic? One can at least ask the question regarding China, with which any kind of economic cooperation must go through a political dialogue. But is this really the best way to deal with the Japanese, who are not at all convinced of the competitiveness of French industry, but who are questioning themselves about the political role they can play in the area? Unless, through a strange reversal in circumstances, one wants to be exposed to a situation where a Japanese Chief of Government, about to welcome his French colleague, excuses himself from his previous visitor explaining that he must receive a "helicopter salesman."

6445

CSO: 3100/774

PDP'S ALZAGA: ALLIANCE WITH AP ONLY ALTERNATIVE TO PSOE RULE

Madrid YA in Spanish 8 Aug 82 pp 22-24

[Interview with Oscar Alzaga Villaamil, founder of the Popular Democratic Party (PDP), in his office in Madrid in August, by F.L. de Pablo]

[Text] He looks like a recent Cambridge graduate but he has actually been a capable attorney for some time, with acknowledged success as an adviser to business. As a politician, he seems to have just emerged from the underground, yet he has made his views heard at key moments in the transition and the constitutional phase. Pairing up with Herrero de Minon, Oscar Alzaga Villaamil, the founder of the PDP, has made a name for himself as a major member of Parliament in battles with the Left.

Behind his thick glasses, his small, restless eyes reveal that this is a man who finds it hard to remain inactive. But his adversaries claim that he has never devoted himself completely to politics, that he rejected several ministries and that he refused to assume government responsibilities at difficult moments for the UCD [Democratic Center Union] and Spain. Suarez offered him the Education Ministry in 1979, and Calvo-Sotelo offered him Public Works in March of last year, Justice in August and Culture in December.

When we reminded him of this by surprise, he stirred uneasily. He did not agree to this interview to answer to what is being said about him, but rather to explain what his goals for the PDP are.

"I Thought It Was My Duty to Decline to Be a Minister"

"I have always taken on the commitment to work within the party and in Parliament," he tells us. "Even on exhausting tasks such as drafting the constitution. But I have always done so while rejecting any remuneration."

other than my salary as a deputy. I couldn't accept other paying positions, much less a ministry, because I disagreed very strongly with UCD's excessively fluctuating political style and with its drift away from our constituency. I felt freer to try and change UCD if I didn't accept posts in the executive body or on the boards of directors of public enterprises or decorations. At my age, declining the post of minister four times was not easy, but under those circumstances I thought that it was a duty to myself and to the scant possibilities of regenerating UCD, which I then tried to do with all my strength. Moreover, I doubt very much that within the chaotic UCD framework I would have been able to pursue a consistent, fruitful policy in a ministry."

Our talk took place in his office at the law firm in which he has been a practicing attorney since 1965. It is located very close to the Palace of Congress, which very often enabled him to rush back and forth between his office and his seat in Parliament, to the despair of the acting UCD spokesman, who never knew where Oscar was. The telephone constantly interrupted our rapid-fire conversation on this cool August afternoon. Alzaga will not be able to take August off with his wife, Isabel Ruiz Alcain, and his three daughters because, like many other Spanish politicians, he spends his vacations organizing the party and getting ready for the next election.

Oscar Alzaga Villaamil was born in Madrid on 29 May 1942. It was at Madrid University, where he was a top law student, that his political calling first became evident, as he was elected department delegate. He then founded the illegal Union of Democratic Students (UED) and, shortly thereafter, the Union of Young Christian Democrats. He is a doctor of laws and is a professor of constitutional law at the National University of Outreach Education. He was a fellow of the Juan March Foundation, has belonged to the board of various major associations of Madrid University and is a member of the Association of Advertisers.

Confined by Carrero Blanco

Like so many other young politicians who opposed the previous regime, he began in CUADERNOS PARA EL DIALOGO, in the shadow of Ruiz Gimenez, from whom he later drifted away because of disagreements as to the evolution of the magazine. He belonged to various leadership

bodies of the Christian Democratic parties that were then operating illegally, and thus during the 1969 state of emergency the first technocratic government of Carrero Blanco confined him first to Cuevas de Agreda and then to Almenar, two tiny towns in the province of Soria. In those days the government also confined other contributors to CUADERNOS, such as Peces-Barba, Morado and Elias Diaz.

In the 1977 elections Alzaga did not quite make it into Parliament, but when Jaun Manuel Fanjul gave up his seat to become a public prosecutor, he was able to enter Congress in the midst of the constitutional Cortes, where his disagreements soon began with UCD leaders, especially Suarez and Abril Martorell, over the way to approach drafting the constitution. His criticisms of Suarez's administrations intensified when he mobilized, along with others, the "critical movement" that helped to get Suarez out of the Moncloa and that reached its peak at the Second UCD Congress in Palma de Mallorca. He was later to found the moderate platform that helped Calvo-Sotelo to displace Rodriguez-Sahagun as UCD president. Don Leopoldo made him a presidential adviser, but he gave very little advice and even less of it was heeded.

He has been a UCD spokesman in the Congressional Committee of Constitutional Affairs and is chairman of the Justice Committee.

[CD Is Suffering from an Incurable Disease

[Question] The first thing I want to ask you is why you left UCD at such an inopportune time for the ruling party, when your friend Landelino Lavilla, to whom you had given the leadership of the "critical movement" in Palma de Mallorca, was assuming full powers to eliminate the problems that had forced him and others to leave.

[Answer] We reached the conclusion that UCD was a party suffering from an incurable, fatal disease, when after the slap in the face that the voters in Andalusia gave it, it became obvious that it couldn't make a comeback. No one wanted to go to the root of the problems, and the party continued its policy of closing its eyes to the evidence. It had gotten only a small percentage of a residual vote, mainly in the small towns where the pressures of the civilian governments are still effective. The best informed voters didn't even want to hear about UCD. Therefore, when after some very unusual sessions of the UCD Executive Committee and a rambling meeting of the Political Council, my admired and good friend Landelino Lavilla accepted the presidency of UCD, we had already made our difficult decision and we had even founded the Popular Democratic Party, which was already registered.

Moreover, a change of president or secretariat was just cosmetic. It was obvious that the government could not be changed and that at that point we could not expect substantive changes in either the UCD provincial personnel or in its political line. Regardless of how many powers have been given to Landelino Lavilla over these 2 months, in the end he is just one person, surrounded by a diminished team in the midst of a jungle with a respectable but very individual fauna and flora, and under such conditions no one can be expected to perform miracles. To give a specific example, think about the power center represented in the UCD today by the Interior Ministry and its civilian governors, whose political excesses we have now begun to experience in certain provinces, and perhaps this is something to talk about soon. This basic nucleus of power is held by the same UCD faction to which Rodolfo Martin Villa, the party's secretary of organization, belongs, and this is the true main axis of power in the UCD. Therefore, Landelino Lavilla's powers can only formally be termed full, and the actual changes he has to regenerate UCD are minimal. The rapid daily disintegration of the centrist party corroborates our assessment.

Christian Inspired Humanism

[Question] But there are almost no ideological differences between you and the current Centrists, are there?

[Answer] In the face of the UCD's breakup, which stems basically from the proven impossibility of developing fruitful government policies in a party in which there is more disagreement than common ground, we must acknowledge the failure of the attempt to transcend the interplay of European political forces by lumping several together in a single party. We have to rearrange the Spanish political party spectrum around the ideologies that still carry weight today in Europe. Outstanding among them, for many reasons, is Christian inspired humanism, which could give rise to a serious party capable of pursuing policies of principle and in a position to consistently develop a social policy program that does not consist merely of shameful concessions made day after day to the adversary's political blueprints. Therefore, we have forgotten about UCD, its contradictions and failures, its endless internal battles and its efforts to convey to the press certain imaginative expectations -- a resurrection, and we have begun working with all our strength to create a great and consistent party that can play a major role in the post-transition and to look into urgent solutions for the countless problems besetting our country today.

[Question] Most of the members of the PDP are Christian Democrats. Why has a group of prominent, longstanding Christian Democrats remained in UCD?

[Answer] The overwhelming majority of the Christian Democrats who were in the UCD have moved over to the PDP, and several have done so in the last few days. We could perhaps say specifically that between 80 and 90 percent of those who did not hold public office have joined the PDP.

For example, more than 90 percent of the Christian Democratic faction of leftist youth has moved over to the Popular Democratic youth group.

As we have concluded that after the "debacle" that LCD will suffer in the upcoming general elections, it will most likely dissolve immediately, we are confident that we can then incorporate the remaining kindred groups. This would help close out an era for our political parties, the transition era, and initiate a new era of minimally homogeneous parties.

Swartz Is Looking For Undecided Voters

[Question] Adolfo Suarez has just leveled criticism at you on the occasion of launching his new party, CDS [Democracy and Social Center]. What do you think of this new party?

[Answer] I would be wasting my energy by arguing with Adolfo Suarez. There are too many problems, beginning with unemployment, to remain entangled in longstanding LCD battles. Our party, like European parties of our era, has a clear ideological underpinning and, therefore, is a political force whose behavior can be predicted; it cannot be confused with eclectic parties of a tactical nature. Nevertheless, we can foresee that there will be a lengthy battle between LCD and CDS because on a semantic level they are almost the same and seek the same undecided segment of the electorate by offering it a vague middle-of-the-roadism, and at the same time they are trying to shift off responsibility on each other for the extremely poor performance of the government over the past 4 years. Thus, we shouldn't rule out some sort of arrangement between the two parties either, because ultimately they're the same thing.

TPP'S INITIATIVE

[Question] You are spending the weekend in Galicia, organizing TPP work there. Do there still remain people who are willing to get involved in politics?

[Answer] Fortunately there are many people in this country who understand their historical circumstances so well that they cannot turn themselves up to their private problems and that they have to make a public commitment. They do so and without being motivated by their civic conscience and prepared to work tirelessly to broaden the general interests of our people, are the backbone of the TPP as such providers and well, in fact, appeal for help from other individuals who share their principles.

At the same time, however, we will launch our political campaign with a strong enough presence on all the "prominents" behind the platform of national evolution we are part of and to reject the understandable perception that these years of party politics have left the people with.

[Question] What sort of campaign does the TPP have?

[Answer] The PDP is proceeding in this initial phase with great austerity in its expenditures budget, which we have tried to cut down to the essentials, because we realize that the independence of a political party to a large extent depends directly on how limited its pattern of outlays is. Most of our budget is currently being covered with dues and with small sums contributed in many places by a great number of individuals. Spain urgently needs a political party public financing law to afford the parties the proper degree of independence and prevent certain shameful spectacles that some parties are putting on in their financing methods. Public ethics demands greater openness in this area. Our aim should be to publish the accounts of the parties. We will gladly pledge to disclose ours as soon as the big parties, UCD and PSOE, for example, do likewise.

A Message of Change

[Question] What segment of the Spanish people does the PDP basically address itself to? With what messages do you plan to win them over?

[Answer] The PDP is aware that there has been a perfectly understandable disillusionment among the overwhelming majority of the electorate that voted for the UCD, trusting that it would adopt another style of political action and form an administration that would be much more determined to carry out the election platform that it had put together. What we want to convey to the entire population, but perhaps especially to professionals, to the middle class, to the people who belong to independent unions and, in general, to the broad working class strata in our country, is that they ought to join in our efforts to transform our society on the basis of our principles.

We cannot have 4 more years like this. Ours is another kind of politics. It is based not on constant improvisation, but on shared principles and a thorough study of all the problems facing the country, with a view towards putting together an election and government platform that, of course, has to be marked by the firm resolve to reverse the extremely serious unemployment trend, to which certain politicians seem so insensitive. This new politics, which is truly committed to a scale of values and to our people's lofty interests, does indeed deserve to be practiced, and we are calling on our fellow citizens to get involved in it.

Ultimately, our messages will seek to rally the citizenry for change, change in the way the country is run, a change without experiments, but an ambitious change. We are not going to address ourselves to the people who are satisfied with how Spain has been governed so far.

Broad Coalition with AP [Popular Alliance]

[Question] Won't the fragmentation of the Center into various parties, to which the PDP has in one way or another contributed, make it more costly to win seats in Congress and heighten the confusion of the voters? How do you plan to counteract this adverse situation?

[Answer] The major ideological confusion in Spanish politics, let's be frank, has been caused by a party whose bylaws say it is united but which in practice is a patchwork of families, barons, plumbers, Young Turks, regenerationists...who are always squabbling. The natural, clarifying thing would be for us to have parties with an ideological foundation that could convey a clear-cut message to public opinion. When it comes time for elections, this means that we have to unite, not disunite, and the PDP, along with AP, it is only fair to admit, has become the champion of the need for a broad electoral coalition.

We are fully aware that the election law markedly underrepresents the small parties and rewards the political forces that exceed a certain minimum size.

At a time when the Socialist Party is going to receive almost all of the leftwing vote, given the collapse of the political forces to its left (such as the Communist Party, not to mention the PTE [Spanish Labor Party] and the ORT [Revolutionary Organization of Workers], which have disappeared since the last elections, or the grave crisis that the PSA [Socialist Party of Andalusia] is going through), we feel that a systematic fragmentation of the non-Socialist political forces is completely unjustifiable.

We are extremely concerned about this, because if this split continues until the time the elections lists are drawn up, the PSOE will obviously be the big winner. Therefore, we have been systematically arguing that we have to forget about the 1979 political map, which reflected the dynamics of the transition, and begin drawing up a new map, dominated by a broad electoral coalition. We cannot disregard, as some would flippantly like to do, the results of the elections in Galicia and Andalusia or the latest polls that show AP farther and farther ahead of the UCD. Therefore, we feel that under this election law a coalition that has a chance to defeat the Socialist Party cannot be put together without Popular Alliance. This is why we have been asking the UCD to be realistic and join this broad coalition.

Not Facilitate a PSOE Triumph

[Question] Which would you choose: a coalition with Popular Alliance or the centrist coalition that others are advocating?

[Answer] The only way to put together a coalition that can take advantage of the rewards that the election law offers to major forces, in a manner analogous to how the Socialist Party is going to optimize them, is by not fragmenting the so-called Center proposal and by including in the coalition both the forces that so define themselves and Popular Alliance, whose vote today is mainly moderate. I think that the UCD has been as categorical in its refusals to join this broad coalition as it has been stingy in its explanations of its decision. We all know that UCD says it is open, for pragmatic reasons, to an electoral coalition with

AP and the PDP in the Basque Country. This is logical. But the fact is that the UCD has just as little chance to win seats in the upper and lower houses in provinces such as Seville or Malaga as it does in the three Basque provinces. Hence, if UCD feels that this argument is valid in the Basque Country, then it might also be for a good many of the Spanish provinces in which UCD is not doing at all well. Moreover, it is obvious that many UCD leaders have a track record and an image that are not to the left of us as PDP leaders, for example. And as far as AP is concerned, we cannot deny that the lists that it ran in the elections for the Galician and Andalusian parliaments were made up of individuals most of whom had a more centrist "curriculum vitae" (if you will allow me this expression) than the UCD candidates.

To put it in plain language, it is obvious that in Spain today a so-called centrist election alternative that does not accept a coalition with AP and the PDP, under the current election law, will make victory much easier for the PSOE. Therefore, those who say no to a broad coalition are incurring a great historic responsibility.

The Witch Doctors of Bipolarization

[Question] Many people feel that this broad coalition would increase the danger of polarizing the country and radicalize politics...

[Answer] I think that the two parties that call themselves centrist in Spain today are not in a position to offer specific government measures and are resorting to the trite ploy of preaching moderation as a synonym for nonpolarization and are forgetting that in a modern democracy moderation, nonpolarization and a limit to political confrontations are part and parcel of the system. Moderation is a climate, not a government policy. This is almost an excuse for moderation, when what we have to do in an election campaign is take stock of the government's performance over 4 years and then offer a program of action that in one way or another is a consistent continuation of the previous course.

The Spanish people today have a right to a sound economic policy, to specific prescriptions to create wealth, to a more efficient Social Security system, to precise proposals as to how a government service that has not been touched in the last 4 years is going to be reformed, to enjoy a new era of tangible freedoms like decontrolled television, to a policy of food quality control...It's the Ollendorff method, pure and simple, when you fail to give any specific answers to these demands, fail to explain why they have not been met in recent years and simply say that maintaining centrist parties that are plagued with open dissent and are incapable of tackling the real issues confronting Spanish society, will guarantee moderation.

No party can capitalize on moderation, because it is simply the fruit of the reasonable, civilized behavior of a very sensible people, like ours. The only danger of bipolarization facing Spanish society today is the insistence with which certain politicians try to justify their position as witch doctors curing the imaginary disease of bipolarization.

Dialogue for an Election Platform

[Question] In the final accounting, who is to blame for this estrangement among kindred spirits, which has led to the fragmentation of the Center-Right?

[Answer] I am not one to pin the blame on anyone. It is absolutely indispensable to overcome personal antagonisms and sit down at a table to discuss what separates us and what unites us when the time comes to offer an election platform. It worries me enormously that due to personal antagonisms some people even refuse to sit down and talk about what could be the election platform of a broad coalition, because this attitude is making it extremely difficult to put together a competitive alternative to the PSOE, which a great many Spaniards are logically calling for today. In my opinion, it is not fair to say no to the coalition without even looking into whether a joint platform is possible. If one were not possible, then that would be the time to explain things to public opinion. But some of us know that we can put together an attractive joint government platform.

[Question] In order to make this broad electoral option possible, the legislature has to complete its term. This does not seem likely. UCD attributes these difficulties in finishing the legislative session to the questionable commitment by its former legislators to continue supporting the Calvo-Sotelo administration.

[Answer] UCD has no reason to doubt a pledge that was put in writing by those of us in Congress who left to promote the PDP. The UCD leaders have never told us that they had doubts about our keeping our word. Yet it is a fact that given the deep crisis that UCD is still in, there is an entire school of thought in the party that fears that its strength is declining with each passing day and, therefore, wants to hasten the elections.

Needless to say, we will abide by the decision that the government president makes, under the provisions of the constitution. But we would respectfully point out that dissolving the Congress now would unquestionably benefit the Socialist Party, which at the moment is still being pulled along in the favorable wake of the election returns from Andalusia, which, as we know, is the only one of the four regional elections that it won.

Moving the elections forward would give the PSOE the chance to run before the negative balance sheet of the Socialist government's performance in France has become spectacularly obvious. Consequently, when the Socialist Party calls for elections right away, it is trying to tailor the Spanish political calendar to its own interests as a political party. Therefore, I think that it is perfectly fair to ask the government to do everything within its power to facilitate the reconstruction, over a few months, of the non-Socialist political forces, which are emerging strongly but which need time before they can engage the Socialist Party

in a winnable battle. Hence, although we will be ready to make a successful run of it in a few months, we think that the best thing would be for the government to keep its oft-repeated promise to finish the legislative session. To this end, with a thorough-going sense of duty, we will support the government unconditionally with our votes during the next session of Parliament.

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CSO: 214

PSOE MAY POLITICIZE ALREADY PARTISAN BUREAUCRACY

Madrid YA in Spanish 11 Aug 82 p 6

[Article by F.L. de Pablo]

[Text] With the return of Calvo-Sotelo and several of the ministers who were on vacation, the government will be regaining its decision-making capability, which was at half-throttle as a result of the official leaves of absence. The second and smaller wave of government vacationers will leave between this weekend and the 27th.

Calvo-Sotelo returns from Latin America today. He will chair the Economic Affairs Committee and on Thursday the Council of Ministers, which will hold a "sweep-up" meeting to take care of some pending matters that could help the cabinet to enhance its public image, though by now they realize that "time has run out," and it will do little to help their shaky party regain the trust of its voters.

It is unlikely that in the 2 months before the election campaign the government can resolve the serious problems that are facing it and that it has been unable to resolve over 4 years.

The Council of Ministers will analyze the peseta-dollar exchange rate, which could force further price increases (gasoline, for example) by September. It will also take up the reconversion of various industrial sectors, including textiles and certain appliances (television sets, record players, etc). The council could also decide to impound Lemoniz to salvage the 300 billion pesetas that have already been invested in the powerplant, and lastly authorize a package of some 10 billion pesetas in foreign investment in various sectors.

Almost all government offices have been affected by the August holidays, though the majority of the government's intermediate personnel have been caught between expectations and doubts about their future for some time. Hundreds of secretaries, directors general, assistant directors, office managers, press directors, advisers, etc could be affected by a change in the ruling party as a result of the elections.

This indifference and wait-and-see attitude will be the hallmark of the politically appointed high-level officials over the coming months, especially the ones who closed ranks with UCD when it came to power or who used the party to legitimize inherited situations. A reform, change or break in government is indeed coming now if the PSOE wins by an absolute majority. As in the past, the dismissals will then begin, because although the probable winner would not want to scare people, it will obviously at least have to apply the criteria that it has been harping on in its criticisms of the government throughout the legislature. As we know, though, words are not the same as actions, and once in power things are viewed with greater responsibility than from the opposition.

Little by little the PSOE has achieved a high degree of penetration among government employees, especially on the technical level, so much so that Felipe Gonzalez receives some information before many ministers. Nevertheless, the percentage of public officials who belong to the Socialist union, especially at the lowest levels, is not too high. Contracted officials and even some permanent high-level officials are worried that they could be affected by the change in the ruling party. The successive reform bills that the UCD administration submitted to Parliament were not passed, and thus the common objective of preventing a change in ruling party from entailing a sweeping overhaul of government service did not become law. Now, if the PSOE wins, it will have a free hand to carry out the major reform that UCD was not able or did not know how to accomplish, laboring as it was under the influence of the powerful groups of officials, the vices of the past and its weakness in Parliament, which prevented it from undertaking in-depth social reforms.

An impartial government service has been impossible, at least from the level of director general on down. It is not that government employees are politicized, because most of them are no more politicized than the rest of the country. They want to defend their jobs and the status they have achieved through them, and this is where their fears lie, if as a result of the political change their department head is replaced. What is more, government employees are perhaps more cautious when it comes time to register as party members, because they still remember the consequences that membership entailed for many employees in the past.

Given the uncertainty, the wait-and-see attitude and the vacations, ministers are finding it difficult to complete their budgets for the coming year, as the estimates are already supposed to have been given to the Finance Ministry, though Garcia Anoveros claims that his draft version is well on the way to completion. It will probably be submitted to the two houses before the constitutional deadline of 30 September, perhaps coinciding with the announcement that the Cortes are being dissolved and general elections are being called.

UCD will most likely submit a draft budget that will serve as a reference point for or complement its election platform, which is perfectly legitimate, although it would also be running the risk that its adversaries could use it as a target in their campaigns.

PALME PRESENTS CAMPAIGN PLATFORM: PLEBISCITE ON FUND IN 1985

Stockholm DAGENS NYHETER in Swedish 11 Aug 82 p 8

[Article by Dick Ljungberg]

[Text] In connection with the 1985 general elections, board members to manage the wage-earner funds may be elected directly. But work on the funds will proceed as long as necessary. We are prepared to discuss most points of the fund system. These ideas were presented on Tuesday by Olof Palme when he presented the campaign platform of the Social Democratic Party.

The platform is based on the so-called crisis program, the "Future of Sweden," which was presented by Palme at the convention of the Swedish Miners' Union on Tuesday at Folkets Hus.

"We are presenting a bold program. It contains no rash promises. It assumes that we will work our way out of the crisis and build our future through active investments," he said.

The chairman of the Norwegian Labor Party, Gro Harlem Brundtland, was among the listeners when Palme presented the campaign platform at a press conference later that day, along with party secretary Sten Andersson, Kjell-Olof Feldt, and Anna-Greta Leijon.

The only promises in the platform already are known: elimination of qualifying days for sick benefits, improved unemployment insurance, tying pensions to the inflation rate, and larger subsidies for municipal childcare.

Higher Sales Tax

To pay for this, the Social Democrats want to raise the sales tax by 2 percent and the payroll tax by about 0.5 percent in order to improve unemployment insurance.

"These increases certainly will cover our promises," Palme said. Eliminating qualifying days will cost 1.4 billion, by a liberal estimate, childcare several hundred million kronor, and pension increases 1 to 1.5 billion.

The Social Democrats also want to eliminate tax-subsidized savings in the form

stock purchases, but the money saved in this way would be invested in a more equitable system for stimulating voluntary savings.

Palme was asked if the Social Democrats could promise that there would be no additional tax increases.

"We cannot tie our hands by making such promises," Palme answered. "We can finance our present promises and later we must stimulate growth so that the tax base will increase. Otherwise, we never will be able to control the budget deficit."

Palme was asked which points of the fund proposal he was prepared to discuss with the political parties and the parties involved in the labor market.

"We are prepared to discuss practically all points, but this is assuming that the other side presents clearly defined proposals and not just screaming and crying, as is the case at present," he answered.

One of the points he mentioned that could be discussed was limitations on the percentage of stock the funds could own in individual companies, "if anyone believes that is important. But we cannot take a position on demands that have not been made."

All the nonsocialist parties have announced recently that they do not intend to negotiate on the fund issue.

"That is a sterile position and we hope that, after the election, they will assume a more positive posture and discuss the issue in a reasonable manner," Palme said.

Sidetrack

The party has not taken a position on whether the boards of directors of the funds should be elected by direct elections among wage earners or through general elections. This issue will be studied.

"Thus, it is too early to tell whether or not the form of election will be a constitutional issue. With my experience in working with the constitution, I do not believe that altering the constitution is so dramatic. It is not a supernatural being," Palme said.

He believes that making such a serious issue as the country's economic future into a constitutional question was an extreme attempt to sidetrack the debate.

If the Social Democrats win the election, they promptly will develop a system of profit sharing to facilitate the upcoming contract negotiations, appoint certain committees to study wage-earner funds, and invite the various parties involved to discuss the funds.

"We will take as much time as is needed. The first election of board members

to administrate the funds could occur in conjunction with the 1985 elections," Palme said.

The campaign platform states, among other things, that continued nonsocialist policies, as in Great Britain and the United States, would lead inevitably to mass unemployment and a widened gap between classes. One of the most serious problems in the industrialized West is unemployment among young people. A large portion of a generation feels unneeded. The example of the thirties shows that this is a threat to democracy and a fertile ground for the growth of fascism.

The Social Democrats reject both cutbacks and pure expansionism, Palme said in his speech at the Miners' Congress.

"We prefer a third way, whereby we would keep demand up, but restrain consumption and, instead, promote an increase in productive savings and investments."

Six steps would be taken to accomplish this:

Prompt measures would be taken in the labor market to reduce unemployment.

Investments would be increased in the areas of transportation, construction, and energy, among others.

An effort would be made to encourage state, county, and municipal purchases of more Swedish goods.

Swedish raw materials would be better utilized.

Favorable conditions for the contract negotiations would be created in order to combat inflation.

An effort would be made to balance growth in the public sector through improved care for children and the elderly.

"This is a Social Democratic alternative to the worn-out cutback policies represented by the nonsocialist government," Olof Palme said.

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AIRMAN PARTICIPATES IN BASE PROTECTION GROUP EXERCISE

Paris AIR ACTUALITES in French Jun 82 pp 19-26

[Article by Airman Yves Sherr: "A Week with the Commandos"]

[Text] The base newspapers are often unrecognized, at least outside their zone of influence, which rarely extends beyond the base itself. Nevertheless, they contain interesting news on the life of the units, presented with humor and a certain talent.

For example, this report on a protection squadron, offered to us by Airman Yves Sherr, editor of AIR DE CHAMPAGNE: 8 days in beret and ranger boots.

Spending a week in the Protection Squadron with the commandos: when I broached this idea, with a view to a report in AIR DE CHAMPAGNE, my buddies' reactions varied greatly. Some were very anxious and disturbed, and asked me if I were as unhappy as that in the in the press-information office, others came close to offering me a dose of aspirin, and others, accountant types by nature, questioned me about the nature of the march and the number of days of recuperation at stake in this "commando" operation, which, to hear them tell it, was close to suicide.

Let us not exaggerate, we admit that the interest of such a report was well-understood right away. For if there is one unit whose activities are poorly understood, it is indeed the Protection Squadron. Since it appeared useful, if not indispensable, to provide information about this subject, the experience of a week's service was the best way to go about understanding the life of a commando.

To know what the EP [Protection Squadron] is, one has to live 7 days of service, experience the irregular rhythms, the rushed meals and rests, the guard duty, the patrols, the actions, the field work, but also the entire ambience on account of which the "bill" is, in the last analysis, easier to digest. All these pressures for a single mission: protection of the base.

In the Protection Squadron, everything is structured. There are four groups that take turns in twos. One week, it will be the yellows and the greens, and

the next, the reds and the blues. The two groups who are not on duty are either having a week of instruction or a week of recuperation.

As regards the two groups on duty, one will be the action group and is responsible for the services at the Protection CP [Command Post] and all the actions carried out on the base. The other is on alert and therefore responsible for temporary guard-duty assignments and for the 30th EC [Fighter Squadron] patrol and on call for mobilization in the afternoon for field work.

In parallel with the four groups (yellow, green, red, blue), a dog unit also takes part in the protection of the base. Finally, a guard team, now under the Air Gendarmerie, receives and monitors the base's personnel and visitors.

At the end of last February, a snow-vacation period, I therefore opted for a berth at the "T5," a commando building with runways instead of downhill and roads instead of trails.

Tuesday: the Night Is Ours

Tuesday, 0100 hours: this is the H hour when the two duty groups begin their week. It is with the yellows that I will share the joys and sorrows of these 8 days.

On this Tuesday morning, despite the end of leave, the atmosphere is not morose in the room. It is a time for getting dressed and shining shoes, and everyone recounts his "exploits" of the week.

Noon is traditionally the time for the weekly report. All the groups (those leaving and those arriving) are present in front of the T5. Major Decaudin communicates some information: attention! someone is going to have to go to the hairdresser! Some do this at the beginning of the afternoon, and then learn with unconcealed pleasure that the shop is closed for 10 days.

Today, the yellow group is on alert and the greens are the action group. Tomorrow it will be the reverse, and so on. When a team is on alert, nothing is planned for the day except for the possibility of field work or firing practice and replacement of the green group during its mealtimes.

I will wait till tomorrow to discover the responsibilities of an action group. For the time being, the alert group will return tonight: temporary guard duties and accompaniment of the dog handler on the 30th EC patrol. The temporary guard-duty assignments are carried out by two groups on variable circuits and schedules.

With Sergio, nicknamed "Kichich," we head outside at 2300 hours to go to the radar and at 0600 hours to go to the ingredients storeroom. As we take our weapons on the stroke of 2300 hours, FR [French Television] 3 is offering us Robert Wise's "The Day the Earth Stood Still." For us, it is night and the earth is not standing still: a company sergeant-major of the week--an SSIS [expansion unknown] draftee back from leave--and another person, unlikable, will be the only roster personnel for this first patrol. When we get back to

the T5, "this is the end" for the film and for this temporary guard-duty assignment. It is 0030 hours: time to go lie down. We take advantage of it: temporary guard duty is the only program that permits a "night" in pajamas! Sleep is assured for 5 hours at a crack. When the other group goes out and then comes back, it will be careful not to disturb our sleep.

When we leave again with Sergio at 0600 hours, we meet the guard officer again: the commandos' guard-duty assignments are monitored especially closely, and no allowances are made for even the slightest shortcomings.

Day breaks at 0730 hours, as we are returning from the Protection CP. It is then time to do the maintenance work that has to be completed by 0800 hours. It will be resumed again in order for the building to be impeccable at noon. Between now and 1000 hours--the time that will truly mark the end of this first day--there will be a few moments for a quick breakfast and rest before taking over from the action team.

Wednesday: Sleeping in Ranger Boots

An action day is more stressful than an alert day. Except for whoever accompanies the dog-handler on a few rounds and whoever goes over the base's roads, except for the 30th-EC zone, everyone's responsibility will be to take action at any place on the base, and for some, the screening station in particular. Today I am on the team responsible for action throughout the base. We are commanded by Sergeant Millot, Corporal Hircq and Officer Cadet Le Gal. Captain Guyader makes a point of assigning responsibilities to the officer cadets, who, he stresses, "merit a lot of trust."

In 3-hour cycles, each takes a turn as controller in the Protection CP: this consists in screening the persons entering. The others wait to take any action necessary. They are ready 24 hours a day, ranger boots and duty fatigues on, to leave at the least signal that sounds on the panel of the Protection CP. Signals are often the result of a false move or an exercise called by the officer of the week or Captain Guyader, commanding officer of the EP.

The only breaks in these 24 hours are a half-hour at noon and evening for meals.

An exercise this afternoon brought the first action in the 30th EC. The first action team, arriving by jeep, considers that backup is necessary. The second action team is then mobilized: the available members of the GRI [expansion unknown] and a dog handler go by truck to join with the first team in the zone involved.

This is what action work means: availability and speed at all times of the day and night. An action day can amount to a TV program or a fatiguing series of movements. The whole thing is to be ready when an alarm sounds.

Since, this Wednesday evening, the dog-handlers are mobilized for a nighttime exercise, I spend my evening at the kennel, which constitutes a foretaste of my Thursday. When the exercise in question ends on the stroke of 2300 hours, I go

back to the T5 to sleep, hoping there will be no night action. But in any case, I will have to take over as controller from 0400 to 0700 hours, before going back to sleep again until 1000 hours. As for the choice between breakfast and sleep, I am opting (already) for the latter.

Thursday: the Rhythm of the Kennel

On Thursday, the yellows are again on alert. Since I have decided to devote this day mainly to the kennel, I leave the temporary guard-duty assignments to my buddies and I sign on for the 30th-EC patrol, which will consist in accompanying a dog-handler tonight on three 1.5-hour rounds around the 30th EC.

In the dog-handling group, the days are especially long. Yesterday evening, the program ended at 2300 hours because of night exercises, which for that matter have been quite frequent lately because of the coming FATAAC [Tactical Air Force] concours.

This morning, the runs and the entire kennel had to be cleaned while the dog-handlers on duty tonight rested. In the afternoon, everyone is hard at it for training and then feed preparation. Sergeant-Major Geiger has put on the attack costume (15 kg), and the exercise can begin: attack of a malefactor, defense of handler, and handling of malefactor. The dogs whose handlers are present are put through the exercise. There are some 30 dogs on the base. Even though there are sometimes not many handlers on the base, it is always necessary to do the night duties, the patrols, duties at the sending and receiving centers, to provide for back-up action duty and the kennel duties, etc.

The afternoon is also devoted to preparation of the meal that each dog receives daily about 1600 hours. Today, meat for several days had to be cut up, while vegetables cooked in an enormous pot. On the menu this Thursday, 18 February: beef, vegetables, croquettes, all of it moistened with vitamin-rich cod-liver oil.

Once the dogs have been given their meal, it is time to think about our own food before departure for the 30th EC with the groups of the GRI [Rapid-Intervention Group], a rapid-action and alert group. It is then 1715 hours. This evening, I will go with "Neness" and his dog Olmir on three 1.5-hour rounds. During certain of these rounds, "excitation exercises" are held. A member of the kennel takes on the appearance of a suspect and tests the reactions of the dog, who--safety requires it--is on the other side of a grill-work. It is up to the handler (who always releases his dog during a round) to guide it and restrain it or excite its aggressiveness.

As we wait for our first round, we play the tarot deck. The atmosphere is happy even though our eyelids are heavy. Returning from the first sortie (during which we go through an excitation exercise), we take a look at the program on TV, and we decide that we prefer a little shut-eye before the second round. After a couple of hours of sleep, we are awakened, and go back to sleep 2 hours later, for 4 hours, before a last round at daybreak.

Returning at 0730 hours, we have time to do a bit of housekeeping in the guard building; our GRI colleagues seem more hard-working and efficient at this task. It is right to emphasize this point, for while this report is limited to the commandos alone, the thanklessness of the work of the GRI, divided between field work and static guard duty at the 30th EC, will never be stressed enough. And in the morning, when the truck takes us back to the T5, the valises of the men of the GRI are largely as heavy as those of the commandos [as published].

Friday: "No One Loves Me, I Am a Screener"

Under this somewhat forced heading there does indeed lie a problem in the screener's mission: certain persons never manage to bend without frowning on general discipline. One has to have seen certain looks to understand why the screener is not terribly happy every day. But all the same, let us not generalize: many people understand the screener's role and facilitate his task.

Since mid-February, the Air Gendarmerie has been responsible for screening. Commandos have been assigned from the Protection Squadron. They rotate at the rate of 1 day of service out of 2 during the 2 weeks on base, followed by a week of recuperation. The commandos rotate by twos. When two commandos are on duty, they relieve one another for 24 hours in 2-hour periods during the day and 4-hour periods at night.

While it is never easy to stay awake for 4-hour shifts in the middle of the night, the new rhythm of screening duty is not at all to be compared with the old one, which imposed 48 consecutive hours of duty, then 24 hours of "rest," during which one had to take care of the opening and closing of the base's various gates and relieve the on-duty screeners at mealtimes. All this in the rhythm of the EP: 1 week of duty, 1 week of recuperation. And then start all over again.

It is with Laurent that I will do the "new look" screening this Friday. While duty begins at 030 hours, we ourselves do not go on until 0930 hours; Bruno does the first round. Chief Warrant Officer Penin has warned "his" boys: uniform must be irreproachable, like the way one greets people. Boots and duty uniform will therefore always be impeccable. The screener even wears a sea-blue shirt-front: high class.

The screener's mission consists essentially of two tasks: directing non-base persons to the person on duty to obtain a pass, and systematic checking of all passes of individuals or vehicles, etc. On the whole, this is a calm Friday, because of the February holidays. Between rounds, we alternate ping-pong games with the Sports Report or news broadcasts on TV. Something to relax with when we come out of the glass cage.

When the blue neon lights of "La Peniche" come on just at 2300 hours, they will be the sign of the arrival of the weekend but also of the approach of the rest period before the night duty shift from 0330 to 0730 hours. It is useful to note that during this hour stretch we do not see many people. The first car appears at 0512 hours. A local radio station offers us a program of ribald songs that liven up the atmosphere and make for the creation of a minichorale

at the screening post. Next, the radio broadcasts for the 10th time that night the song "Chagrin d'Amour" [Sorrow of Love], "Everyone does what he likes," then the refrain is not repeated. Only the verse ("5 o'clock in the morning, I have shivers...") meets with some success.

A taxi goes by, and then the baker comes and goes out again, leaving us a few croissants--a very thoughtful gesture in the still dark night.

Apart from a motorbike and four cars, no other vehicles pass until 0730 hours. We are now into Saturday. The base is empty, and a new day begins.

Saturday: the Stress of the Weekend

When I rejoin the "yellows" Saturday morning after my excursions into the kennel and screening, it is obvious that fatigue is felt. The base is deserted, and the morale of some is suffering. Midway between the beginning of the week and time off, it is a difficult day. The EP does not have any weekend.

Since we are on temporary guard duty with Pierre-Jean, we go out at 1300 hours for a patrol as far as the radar. When we come back, we can sit in front of the TV to watch the France-England rugby game. Roger Couderc's commentary quickly established good feeling around the little screen. But unfortunately, the "kids" met defeat, and the rugby-country element in the EP shed a little tear.

During duty weeks, the afternoon of alert days is frequently used for field work. It usually involves installing fencing and barbed wire. In 1981, 5,500 meters of fencing was handled--that is, installed, taken out, then put back in again. This year, 7,000 meters of fencing and 71 kilometers of barbed wire are planned.

After dinner and a visit to the barracks, the second temporary guard-duty assignment for this Saturday, planned for 2030 hours, takes us to the gasoline tank. From 2215 to 0315 hours, and for the second time in 5 nights, I am going to be able to sleep in pajamas. This is the least of things when one knows that at 0330 hours we have a guard assignment around the Colonel CP and the STB [expansion unknown]: one of the least-liked assignments, because it is relatively static.

At 0500 hours, we are quite pleased to have finished with it. The star-filled sky lets us predict a sunny Sunday. In this hope, we snatch a few moments of rest before the fatigue duty at 0700 hours.

Sunday: the Barometer Rises Again

When a group is on action duty, it does either base-wide action duty or action duty at the screening post. Today I am assigned to the latter in particular. When the sun floods the base, it is obviously without any joy in our hearts that, with Pierre-Jean and Dominique (a "green" temporarily with the "yellows"), we head to the semidark room in the main building. We will stay there 24 hours, relieving one another every 2 hours (4 at night) in the screening-protection cabin behind the screener's cabin.

The commandos waiting in the room have to be ready for any action in case of a problem at the screening post. As at the Protection CP, we do our duty turn with boots and duty uniform on. During guard duty at screening protection, we are armed with a PA [automatic pistol], while the other commandos have a PM [machine pistol] at the ready, available in case of action.

Obviously, there is very little activity at screening protection on Sunday. Except for a few carloads of hikers who did not understand that the road is now cut off where the base is and a visiting family, conversation was rather rare, and only the passage of the CIM [expansion unknown] heading to the movie hall to see "The China Syndrome" broke the silence of that sunny but quite chilly day.

The other yellows on base-wide action duty today are harder at work. This morning, a mistaken movement triggered an alert at the 30th EC. A little later, the explosion of a mine at the alert depot, probably because of an animal's passing between the two fences, caused the sending of the first action unit, then the second.

This afternoon, the activity of the colleagues at the Protection CP got off to a fast start with two exercises triggered by the officer of the week--opportunities to get outside, which is welcome when the weather is fair, as it was that Sunday.

At the screening center, activity does not start until the beginning of the week, with the staggered return of those on leave. The taxis come and go, but there is a pause in their activity with the approach of the Paris train; when it arrives, two buses will pick up the military from the base.

Personally, I will be on duty from 0600 to 1000 hours, a relatively easy tour that permits me to sleep from 2200 to 0600 hours--in theory, for in practice, sleeping in duty fatigues and boots (I confess that I took my parka off) is not the best way to do it!

As soon as the baker leaves, the barrier begins its morning gymnastic exercises. The closer it gets to the start of the work day, the higher the rate of people coming through. Between 0800 and 0820 hours, the barrier stabilizes its exercise in the "pear tree" position. It will not be able to take a rest until after 0820 (though still disturbed by a few late arrivers).

At 1000 hours, the "greens" take over. When the entire base comes to life again after the calm of the weekend, the smell of time-off gets a little stronger. And since the sun is keeping its appointment, the commando's barometer points to fair weather too.

Monday: Sommepey--the All-Around Commando

To make contact with the life of an outside unit, I finish my week at Sommepey, the Air Force's sending and receiving center, where Georges and Pascal spent the 8 days. In this kind of detached locality, there is a family-scale atmosphere: Chief Warrant Officer Floquet runs this station, in which 10 noncom-

missioned officers work. Three draftees take turns cooking. Each commando of the base comes here two or three times during his year of service.

Here as on the base, there is field work. And though, by a miracle, I had thus far escaped it, this time I am good: four holes have to be dug, for planting birches. At 1730 hours, an initial 15-minute patrol enables me to tour the Sommepey site. The cooking is refined this evening; there is ham with endives on the menu.

Next, surveillance of the station has to be taken care of. Rounds are done during the night, and the commandos relieve one another so that one person remains awake between rounds. This evening, we will be up until 0330 hours. And until 0715, when the regular duty personnel come on, we relieve one another in order to sleep. After which we all fall into a deep sleep until 1100 hours.

Before lunch, the housekeeping has to be done. Then after a last dishwashing, the relief is to arrive.

Tuesday: the 1606 Train

Upon return to the base, the reds and the blues have already been on duty since that same morning. Field work is being done to prepare a new parking area. In the room, the yellows are waiting for the captain's review before going on leave. Since the end of duty time (at 1000 hours this morning), everything has been cleaned and put in order.

At 1550 hours, after inspection of the room, civilian clothes are put on in a matter of seconds. I take my car and head toward the train station, where four of my companions of the week will catch the 1606 train. All this at the speed of action duty, with--why hide it?--a few additional motives. James, Gerald, Sergio and Georges, seated in the train, can breathe a little. Like all the yellows, they well deserved their 6 days of leave.

Thus ended my week with the commandos. I had been able to see how the rhythm of life of the EP inevitably made it a unit somewhat to itself within the base. When the siren announces the beginning of the work day, those in the EP are making their second or third attempt to catch some sleep, and when another wail of the siren signals the end of the work day at 1710 hours, the commandos are starting their program of patrols and guard duty.

I certainly was tired out at the end of those 8 days. I had slept 43 hours in 12 sequences. I had used my pajamas only 2 nights out of 7. In his week, the commando enjoys the comfort of four different rooms. The dog-handlers move around even more: kennel, sending center, reception center, 30th EC, and the room in the T5.

But even though tired out, my night in my own room was not excellent: I woke up twice, doubtlessly apprehensive about the start of a patrol. The hardest thing was yet to be done: reestablishing a normal rhythm of life.

I have good memories and new friends from that week. In the EP I discovered an atmosphere, a solidarity, a cohesion that I had not suspected.

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FINANCIAL PROBLEMS IN TURKISH VESSEL PURCHASE

Paris LA NOUVELLE REVUE MARITIME in French Jun-Jul 82 pp 125-126

[Article: "Reinforcement of the Turkish Fleet"]

[Text] With the recent acquisition in the Netherlands of two large Kortenaer-type frigates,* Greece has shifted in its favor the naval equilibrium which NATO strives to maintain between Greece and Turkey. The latter thus had no choice but to react to restore this balance. Accordingly, Turkey recently confirmed its intention to order four MEKO 200-type frigates from a consortium made up by the Blohm and Voss shipyard in Hamburg and Howaldtswerke [Howaldt Manufacturing Company] in Kiel. Each of these naval dockyards will deliver one craft. The other two frigates are being built in Turkey with their assistance. The major difficulty which prevented the conclusion of this agreement was Turkey's inability to finance a program of such magnitude by itself. But, according to the REVUE INTERNATIONALE DE DEFENSE, it has secured a loan of \$180 million from the United States and 600 million Deutsche marks from the Federal Republic of Germany. The amount loaned by the United States is part of an \$800-million credit approved for the three Turkish armed services to enable them to acquire modern equipment. In the FRG, the above-mentioned periodical notes, it is because there was a desire not to allocate the entire 600 million marks to the Blohm and Voss group alone that the decision was made to entrust Howaldtswerke with the construction of one of the two frigates, a large part of the weaponry, and the equipment of these future frigates. This is understandable given their American and West German financing. These frigates, weighing 2,400 tons when fully loaded, will be powered by four MTU type 20 V 1 163 TB 93 diesel engines which will enable them to make 27 or 28 knots. Their armament will include:

1. Eight anti-surface Harpoon missiles (two quadruple launchers);
2. One NATO Sea Sparrow short-range surface-to-air system;
3. One 127 gun;

*Let us recall that Greece purchased frigate F 812--the "Pieter Florisz"--and the F 813--the "Witte de With." The former, which was delivered, was redesignated as the F 450, the "Elli." The latter, now being completed in wet dock, was designated as the F 451, the "Limnos," and is scheduled for delivery during 1982.

4. One Phalanx antiaircraft and very short-range antimissile system;
5. Six T/ASM [antisubmarine] (III x 2) Mk 32;
6. One antisubmarine helicopter;
7. Electronic equipment as follows:
 - a. One SPS 49 radar unit;
 - b. One WM 28 firing guidance unit for the artillery and a Stir radar unit for missile guidance, both of them Dutch;
 - c. One Raytheon SQS 56 sonar unit;
 - d. One Dutch SEWACO data-processing unit;
 - e. One SLQ 32 unit and two SRBOC jammers for electronic warfare.

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